

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

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

For the transition period from _____ to _____.

Commission file number: 001-36535

GLOBANT S.A.

(Exact name of Registrant as specified in its charter)

Not applicable

(Translation of Registrant's name into English)

Grand Duchy of Luxembourg

(Jurisdiction of incorporation or organization)

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(Name, Telephone, E-Mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
Common shares value \$ 1.20 per share	NYSE

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 35,364,916 common shares of which 138,152 are treasury shares held by us.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transaction report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). (*) Yes No

(*) This requirement does not apply to the registrant in respect of this filing.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This annual report includes forward-looking statements. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this annual report, including, without limitation, those regarding our future financial position and results of operations, strategy, plans, objectives, goals and targets, future developments in the markets in which we operate or are seeking to operate or anticipated regulatory changes in the markets in which we operate or intend to operate. In some cases, you can identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "guidance", "intend", "may", "plan", "potential", "predict", "projected", "should" or "will" or the negative of such terms or other comparable terminology.

You should carefully consider all the information in this annual report, including the information set forth under "Risk Factors." We believe our primary challenges are:

- If we are unable to maintain current resource utilization rates and productivity levels, our revenues, profit margins and results of operations may be adversely affected;
- If we are unable to manage attrition and attract and retain highly-skilled IT professionals, we may not have the necessary resources to maintain client relationships, and competition for such IT professionals could materially adversely affect our business, financial condition and results of operations;
- If the pricing structures we use for our client contracts are based on inaccurate expectations and assumptions regarding the cost and complexity of performing our work, our contracts could be unprofitable;
- We may not be able to achieve our anticipated growth, which could materially adversely affect our revenues, results of operations, business and prospects;
- We may be unable to effectively manage our rapid growth, which could place significant strain on our management personnel, systems and resources;
- If we were to lose the services of our senior management team or other key employees, our business operations, competitive position, client relationships, revenues and results of operation may be adversely affected;
- If we do not continue to innovate and remain at the forefront of emerging technologies and related market trends, we may lose clients and not remain competitive, which could cause our results of operations to suffer;
- If any of our largest clients terminates, decreases the scope of, or fails to renew its business relationship or short-term contract with us, our revenues, business and results of operations may be adversely affected;
- We derive a significant portion of our revenues from clients located in the United States and, to a lesser extent, Europe. Worsening general economic conditions in the United States, Europe or globally could materially adversely affect our revenues, margins, results of operations and financial condition;
- Uncertainty concerning the instability in the current economic, political and social environment in Argentina may have an adverse impact on capital flows or other relevant variables and could adversely affect our business, financial condition and results of operations; and
- As of March 26, 2018, our greater than 5% shareholders, directors and executive officers and entities affiliated with them beneficially own approximately 53.38% of our outstanding common shares (this calculation includes common shares subject to options that are currently exercisable or will be exercisable within 60 days of March 26, 2018 as well as common shares issuable upon settlement of restricted stock units that have vested or will vest within 60 days of March 26, 2018), of which approximately 18.66% of our outstanding common shares are owned by affiliates of WPP. These shareholders therefore continue to have substantial control over us at the date of this annual report and could prevent new investors from influencing significant corporate decisions, such as approval of key transactions, including a change of control.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and are based on numerous assumptions. Our actual results of operations, financial condition and the development of events may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements. Readers should read "Risk Factors" in this annual report and the description of our business under "Business" in this annual report for a more complete discussion of the factors that could affect us.

Unless required by law, we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or developments or otherwise.

CURRENCY PRESENTATION AND DEFINITIONS

In this annual report, all references to "U.S. dollars" and "\$" are to the lawful currency of the United States, all references to "Argentine pesos" are to the lawful currency of the Republic of Argentina, all references to "Colombian pesos" are to the lawful currency of the Republic of Colombia, all references to "Uruguayan pesos" are to the lawful currency of the Republic of Uruguay, all references to "Mexican pesos" are to the lawful currency of Mexico, all references to "Rupees" or "Indian rupees" are to the lawful currency of the Republic of India, all references to "Reais" or "Brazilian Real" are to the lawful currency of Brazil, all references to "Peruvian Sol" are to the lawful currency of Peru, and all references to "euro" or "€" are to the single currency of the participating member states of the European and Monetary Union of the Treaty Establishing the European Community, as amended from time to time. All references to the "pound," "British Sterling pound" or "£" are to the lawful currency of the United Kingdom.

Unless otherwise specified or the context requires otherwise in this annual report:

- "IT" refers to information technology;
- "ISO" means the International Organization for Standardization, which develops and publishes international standards in a variety of technologies and in the IT services sector;
- "ISO 9001:2008" means a quality management software developed by the ISO designed to help companies ensure they meet the standards of customers and other stakeholders;
- "Agile development methodologies" means a group of software development methods based on iterative and incremental development, where requirements and solutions evolve through collaboration between self-organizing, cross-functional teams;
- "Attrition rate," during a specific period, refers to the ratio of IT professionals that left our company during the period to the number of IT professionals that were on our payroll on the last day of the period;
- "Globers" refers to the employees that work for our company; and
- "Digital journey" means a context-aware interaction between an end user and a brand or business whereby the interaction becomes a digital conversation in which technology establishes and builds a powerful experience with deep emotional connections through three key values: simplification, surprise, and anticipation.

"GLOBANT" and its logo are our trademarks. Solely for convenience, we refer to our trademarks in this annual without the TM and ® symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to our trademarks. Other service marks, trademarks and trade names referred to in this annual report are the property of their respective owners.

PRESENTATION OF FINANCIAL INFORMATION

Our consolidated financial statements are prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and presented in U.S. dollars because the U.S. dollar is our functional currency. Our fiscal year ends on December 31 of each year. Accordingly, unless otherwise indicated, all references to a particular year are to the year ended December 31 of that year. Some percentages and amounts included in this annual report have been rounded for ease of presentation. Accordingly, figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures that precede them.

PRESENTATION OF INDUSTRY AND MARKET DATA

In this annual report, we rely on, and refer to, information regarding our business and the markets in which we operate and compete. The market data and certain economic and industry data and forecasts used in this annual report were obtained from International Data Corporation ("IDC"), Gartner, Inc. ("Gartner"), internal surveys, market research, governmental and other publicly available information, independent industry publications and reports prepared by industry consultants. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. We believe that these industry publications, surveys and forecasts are reliable, but we have not independently verified them and cannot guarantee their accuracy or completeness.

Certain market share information and other statements presented herein regarding our position relative to our competitors are not based on published statistical data or information obtained from independent third parties, but reflect our best estimates. We have based these estimates upon information obtained from our clients, trade and business organizations and associations and other contacts in the industries in which we operate.

PART I.

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. Selected Financial Data

The following selected consolidated financial and other data of Globant S.A. should be read in conjunction with, and are qualified by reference to, "Operating and Financial Review and Prospects" and our audited consolidated financial statements and notes thereto included elsewhere in this annual report. The selected consolidated financial data as of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015 have been derived from the audited consolidated financial statements of Globant S.A. included elsewhere in this annual report and should be read in conjunction with those audited consolidated financial statements and notes thereto. The selected consolidated financial data as of December 31, 2015 set forth below have been derived from our consolidated financial statements as of December 31, 2016 and 2015 and for the years ended December 31, 2016, 2015 and 2014 filed with the SEC on April 7, 2017 in our annual report for the year ended December 31, 2016 and which are not included in this annual report. The selected consolidated financial data as of December 31, 2014 and 2013 set forth below have been derived from our consolidated financial statements as of December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012 filed with the SEC on April 27, 2015 in our annual report for the year ended December 31, 2014 and which are not included in this annual report.

Year ended December 31,

	2017	2016	2015	2014	2013
(in thousands, except for percentages and per share data)					
Consolidated Statements of profit or loss and other comprehensive income:					
Revenues ⁽¹⁾	\$ 413,439	\$ 322,856	\$ 253,796	\$ 199,605	\$ 158,324
Cost of revenues ⁽²⁾	(263,171)	(191,395)	(160,292)	(121,693)	(99,603)
Gross profit	150,268	131,461	93,504	77,912	58,721
Selling, general and administrative expenses ⁽³⁾	(110,808)	(81,889)	(71,594)	(57,288)	(54,841)
Other operating (expenses) income, net ⁽⁴⁾	(6,294)	—	1,820	1,505	(9,579)
Profit (Loss) from operations	33,166	49,572	23,730	22,129	(5,699)
Gain on transactions with bonds ⁽⁵⁾	—	—	19,102	12,629	29,577
Finance income	7,956	16,215	27,555	10,269	4,435
Finance expense	(11,036)	(19,227)	(20,952)	(11,213)	(10,040)
Finance (expense) income, net ⁽⁶⁾	(3,080)	(3,012)	6,603	(944)	(5,605)
Other income and expenses, net ⁽⁷⁾	8,458	3,629	605	380	1,505
Profit before income tax	38,544	50,189	50,040	34,194	19,778
Income tax ⁽⁸⁾	(8,081)	(14,327)	(18,420)	(8,931)	(6,009)
Net income for the year	30,463	35,862	31,620	25,263	13,769
Earnings per share					
Basic	0.87	1.04	0.93	0.81	0.50
Diluted	0.84	1.01	0.90	0.79	0.48
Weighted average number of outstanding shares (in thousands)					
Basic	34,919	34,402	33,960	30,926	27,891
Diluted	36,094	35,413	35,013	31,867	28,884

- (1) Includes transactions with related parties of \$5,590, \$6,462, \$6,655, \$7,681 and \$8,532 for the years ended December 31, 2017, 2016, 2015, 2014 and 2013, respectively.
- (2) Includes depreciation and amortization expense of \$4,339, \$4,281, \$4,441, \$3,813 and \$3,215 for the years ended December 31, 2017, 2016, 2015, 2014 and 2013, respectively. Also includes includes share based compensation for \$5,666, \$917, \$735, \$35 and \$190 for the years ended December 31, 2017, 2016, 2015, 2014 and 2013, respectively.
- (3) Includes depreciation and amortization expense of \$11,789, \$6,637, \$4,860, \$4,221 and \$3,941 for the years ended December 31, 2017, 2016, 2015, 2014 and 2013, respectively. Also includes share based compensation of \$8,798, \$2,703, \$1,647, \$582 and \$603 for the years ended December 31, 2017, 2016, 2015, 2014 and 2013, respectively.
- (4) Includes impairments of tax credits of \$1,586 and \$9,579 for the years ended December 31, 2017 and 2013, respectively, and an impairment of intangibles assets of \$4,708 for the year ended December 31, 2017. Includes recoveries related to the reversals of allowances of impairments of tax credits of \$1,820 and \$1,505 for the years ended December 31, 2015 and 2014, respectively.
- (5) Includes gains on transactions with bonds of \$19,102, \$12,629 and \$29,577 acquired with funds from capitalizations and proceeds received by our Argentine subsidiaries as payments from exports for the years ended December 31, 2015, 2014 and 2013, respectively. For additional information about gain on transactions with bonds during the year ended December 31, 2015, see note 3.17 to our audited consolidated financial statements included elsewhere in this annual report. For additional information about gain on transactions with bonds during the year ended December 31, 2014 and 2013, see Item 3.A. of our annual report for the year ended December 31, 2015.
- (6) Includes foreign exchange losses, net, of \$2,729, \$8,620, \$10,136, \$2,946 and \$4,238 for the years ended December 31, 2017, 2016, 2015, 2014 and 2013, respectively.

- (7) Includes a gains of \$6,735 and \$418 on the remeasurement of contingent consideration related to the acquisition of Clarice Technologies Private Ltd. (now called Globant India Private Ltd. or "Clarice"), We Are London Limited ("WAE UK") and We Are Experience, Inc. ("WAE US" and together with WAE UK, "WAE") and L4 Mobile, LLC ("L4"), and gains of \$1,727 and \$2,981 related to the remeasurement of the fair value of the call and put option over our non-controlling interest in DynafloWS S.A. ("DynafloWS") for the years ended December 31, 2017 and 2016, respectively. Also includes a gain of \$225 related to the bargain business combination of Difier S.A. ("Difier") for the year ended December 31, 2016. See notes 23, 27.10.1 and 27.10.2 to our audit consolidated financial statements. Includes a gain related to the valuation at fair value of our 22.7% share interest held in DynafloWS of \$625 for the year ended December 31, 2015. See note 23 to our audited consolidated financial statements. Includes a gain related to the bargain business combination of Bluestar Energy Holdings, Inc. (now called Globant Peru S.A.C. or "Bluestar Peru") of \$472 for the year ended December 31, 2014. Includes a gain of \$1,703 on remeasurement of the contingent consideration related to the acquisition of TerraForum Consultoria Ltda. (now called Globant Brasil Consultoria Ltda. or "Terraforum") for the year ended December 31, 2013.
- (8) Includes deferred tax gains of \$5,972, \$730, \$1,102 and \$529 for the years ended December 31, 2017, 2016, 2015 and 2013, respectively, and a deferred tax charge of \$370 for the year ended December 31, 2014.

Reconciliation of Non-IFRS Financial Data

Overview

To supplement our financial measures prepared in accordance with IFRS, we use certain non-IFRS financial measures including (i) adjusted diluted earnings per share ("EPS"), (ii) adjusted net income, (iii) adjusted gross profit, (iv) adjusted selling, general and administrative ("SG&A") expenses, and (v) adjusted profit from operations. These measures do not have any standardized meaning under IFRS, and other companies may use similarly titled non-IFRS financial measures that are calculated differently from the way we calculate such measures. Accordingly, our non-IFRS financial measures may not be comparable to similar non-IFRS measures presented by other companies. We caution investors not to place undue reliance on such non-IFRS measures, but instead to consider them with the most directly comparable IFRS measures. Non-IFRS financial measures have limitations as analytical tools and should not be considered in isolation. They should be considered as a supplement to, not a substitute for, or superior to, the corresponding measures calculated in accordance with IFRS.

The reconciliations of these non-IFRS measures to the most directly comparable financial measures calculated and presented in accordance with IFRS are shown in the tables below. We use these non-IFRS measures as key measures in the evaluation of our performance and our consolidated financial results. We believe these non-IFRS measures are useful to investors in their assessment of our operating performance and the valuation of our company. In addition, these non-IFRS measures address questions we routinely receive from analysts and investors and, in order to assure that all investors have access to similar data, we have determined that it is appropriate to make this data available to all investors.

Adjusted Diluted EPS and Adjusted Net Income

We utilize non-IFRS measures of adjusted diluted EPS and adjusted net income for strategic decision making, forecasting future results and evaluating current performance. Adjusted diluted EPS and adjusted net income are most directly comparable to the IFRS measures of EPS and net income, respectively. Our non-IFRS measures of adjusted diluted EPS and adjusted net income exclude the impact of certain items, such as acquisition-related charges, impairment of tax credits, net of recoveries, share-based compensation expense and expense related to the US settlement agreement (See "Financial Information - Consolidated Statements and Other Financial Information - Legal Proceedings").

Adjusted Gross Profit and Adjusted SG&A Expenses

We utilize non-IFRS measures of adjusted gross profit and adjusted SG&A expenses as supplemental measures for period-to-period comparisons. Adjusted gross profit and adjusted SG&A expenses are most directly comparable to the IFRS measures of gross profit and selling, general and administrative expenses, respectively. Our non-IFRS measures of adjusted gross profit and adjusted SG&A expenses exclude the impact of certain items, such as amortization and depreciation expense, share-based compensation expense and, only with respect to adjusted SG&A expenses, acquisition-related charges.

Adjusted Profit from Operations

We utilize the non-IFRS measure of adjusted profit from operations as a supplemental measure for period-to-period comparisons. Adjusted profit from operations is most directly comparable to the IFRS measure of profit from operations. Adjusted profit from operations excludes the impact of certain items, such as share-based compensation expense, impairment of tax credits, net of recoveries and acquisition-related charges.

	Year ended December 31,				
	2017	2016	2015	2014	2013
Reconciliation of adjusted gross profit					
Gross profit	\$ 150,268	\$ 131,461	\$ 93,504	\$ 77,912	\$ 58,721
Adjustments					
Depreciation and amortization expense	4,339	4,281	4,441	3,813	3,215
Share-based compensation expense	5,666	917	735	35	190
Adjusted gross profit	\$ 160,273	\$ 136,659	\$ 98,680	\$ 81,760	\$ 62,126
Reconciliation of adjusted selling, general and administrative expenses					
Selling, general and administrative expenses	\$ (110,808)	\$ (81,889)	\$ (71,594)	\$ (57,288)	\$ (54,841)
Adjustments					
Acquisition-related charges ⁽¹⁾	1,131	556	337	—	—
Depreciation and amortization expense	11,789	6,637	4,860	4,221	3,941
Share-based compensation expense	8,798	2,703	1,647	582	603
Adjusted selling, general and administrative expenses	\$ (89,090)	\$ (71,993)	\$ (64,750)	\$ (52,485)	\$ (50,297)
Reconciliation of adjusted profit from operations					
Profit (Loss) from operations	\$ 33,166	\$ 49,572	\$ 23,730	\$ 22,129	\$ (5,699)
Adjustments					
Acquisition-related charges ⁽¹⁾	7,523	1,478	337	—	—
Impairment of tax credits, net of recoveries	1,586	—	(1,820)	(1,505)	9,579
Share-based compensation expense	14,464	3,620	2,382	617	793
Adjusted profit from operations	\$ 56,739	\$ 54,670	\$ 24,629	\$ 21,241	\$ 4,673
Reconciliation of adjusted net income for the year					
Net income for the year	\$ 30,463	\$ 35,862	\$ 31,620	\$ 25,263	\$ 13,769
Adjustments					
Acquisition-related charges ⁽¹⁾	(447)	(1,556)	337	—	—
Share-based compensation expense	14,464	3,620	2,382	617	793
Impairment of tax credits, net of recoveries	1,586	—	(1,820)	(1,505)	9,579
US settlement agreement, net	—	845	—	—	—
Adjusted net income for the year	\$ 46,066	\$ 38,771	\$ 32,519	\$ 24,375	\$ 24,141
Calculation of adjusted diluted EPS					
Adjusted net income	46,066	38,771	32,519	24,375	24,141
Diluted shares	36,094	35,413	35,013	31,867	28,884
Adjusted diluted EPS	1.28	1.09	0.93	0.76	0.84
Other data:					
Adjusted gross profit	160,273	136,659	98,680	81,760	62,126
Adjusted gross profit margin percentage	38.8%	42.3%	38.9%	41.0%	39.2%
Adjusted selling, general and administrative expenses	(89,090)	(71,993)	(64,750)	(52,485)	(50,297)
Adjusted profit from operations	56,739	54,670	24,629	21,241	4,673
Adjusted profit from operations margin percentage	13.7%	16.9%	9.7%	10.6%	3.0%
Adjusted net income for the year	46,066	38,771	32,519	24,375	24,141
Adjusted net income margin percentage for the year	11.1%	12.0%	12.8%	12.2%	15.2%

(1) Acquisition-related charges include, when applicable, amortization of purchased intangible assets included in the depreciation and amortization expense line of our consolidated statements of operations, external costs, acquisition-related retention bonuses, integration costs, changes in the fair value of contingent consideration liabilities, charges for impairment of acquired intangible assets and other acquisition-related costs.

Consolidated Statements of Financial Position Data

	As of December 31,				
	2017	2016	2015	2014	2013
Consolidated statements of financial position data:					
Cash and cash equivalents	\$ 52,525	\$ 50,532	\$ 36,720	\$ 34,195	\$ 17,051
Investments	8,147	9,355	25,660	27,984	9,634
Trade receivables	80,078	54,170	45,952	40,056	34,418
Other receivables (current and non-current)	46,093	46,334	38,692	15,169	12,333
Deferred tax assets	13,186	7,691	7,983	4,881	3,117
Investment in associates	1,550	800	300	750	—
Other financial assets (current and non-current)	1,428	1,219	2,121	—	1,284
Property and equipment	43,879	35,676	25,720	19,213	14,723
Intangible assets	11,365	13,791	7,209	6,105	6,141
Goodwill	98,926	65,180	32,532	12,772	13,046
Total assets	357,177	284,748	222,889	161,125	111,747
Trade payables	11,640	5,603	4,436	5,673	8,016
Payroll and social security taxes payable	40,472	30,328	25,551	20,967	17,823
Borrowings (current and non-current)	6,011	217	548	1,285	11,795
Other financial liabilities (current and non-current)	29,238	31,826	21,285	1,308	8,763
Tax liabilities	5,253	6,249	10,225	3,446	5,190
Other liabilities and provisions	1,199	1,965	659	967	295
Total liabilities	93,813	76,188	62,704	33,646	51,882
Total equity and non-controlling interest	263,364	208,560	160,185	127,479	59,865
Total equity, non-controlling interest and liabilities	357,177	284,748	222,889	161,125	111,747

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

You should carefully consider the risks and uncertainties described below, together with the other information contained in this annual report, before making any investment decision. Any of the following risks and uncertainties could have a material adverse effect on our business, prospects, results of operations and financial condition. The market price of our common shares could decline due to any of these risks and uncertainties, and you could lose all or part of your investment. The risks described below are those that we currently believe may materially affect us.

Risks Related to Our Business and Industry

If we are unable to maintain current resource utilization rates and productivity levels, our revenues, profit margins and results of operations may be adversely affected.

Our profitability and the cost of providing our services are affected by our utilization rate of the Globers in our Studios. If we are not able to maintain appropriate utilization rates for our professionals, our profit margin and our profitability may suffer. Our utilization rates are affected by a number of factors, including:

- our ability to transition Globers from completed projects to new assignments and to hire and integrate new employees;
- our ability to forecast demand for our services and thereby maintain an appropriate headcount in each of our delivery centers;
- our ability to manage the attrition of our IT professionals; and
- our need to devote time and resources to training, professional development and other activities that cannot be billed to our clients.

Our revenue could also suffer if we misjudge demand patterns and do not recruit sufficient employees to satisfy demand. Employee shortages could prevent us from completing our contractual commitments in a timely manner and cause us to pay penalties or lose contracts or clients. In addition, we could incur increased payroll costs, which would negatively affect our utilization rates and our business.

Increases in our current levels of attrition may increase our operating costs and adversely affect our future business prospects.

The total attrition rate among our Globers was 18.0%, 19.3% and 17.7% for the years ended December 31, 2017, 2016 and 2015, respectively. If our attrition rate were to increase, our operating efficiency and productivity may decrease. We compete for talented individuals not only with other companies in our industry but also with companies in other industries, such as software services, engineering services and financial services companies, among others, and there is a limited pool of individuals who have the skills and training needed to help us grow our company. High attrition rates of qualified personnel could have an adverse effect on our ability to expand our business, as well as cause us to incur greater personnel expenses and training costs.

If the pricing structures that we use for our client contracts are based on inaccurate expectations and assumptions regarding the cost and complexity of performing our work, our contracts could be unprofitable, which could adversely affect our results of operations, financial condition and cash flows from operation.

We perform our services primarily under time-and-materials contracts. We charge out the services performed by our Globers under these contracts at hourly rates that are agreed to at the time the contract is entered into. The hourly rates and other pricing terms negotiated with our clients are highly dependent on the complexity of the project, the mix of staffing we anticipate using on it, internal forecasts of our operating costs and predictions of increases in those costs influenced by wage inflation and other marketplace factors. Our predictions are based on limited data and could turn out to be inaccurate. Typically, we do not have the ability to increase the hourly rates established at the outset of a client project in order to pass through to our client increases in salary costs driven by wage inflation and other marketplace factors.

Because we conduct a substantial part of our operations through our operating subsidiaries located in Argentina, Colombia, Mexico and India, we are subject to the effects of wage inflation and other marketplace factors in these countries, which have increased significantly in recent years. If increases in salary and other operating costs at those subsidiaries exceed our internal forecasts, the hourly rates established under our time-and-materials contracts might not be sufficient to recover those increased operating costs, which would make those contracts unprofitable for us, thereby adversely affecting our results of operations, financial condition and cash flows from operations.

In addition to our time-and-materials contracts, we undertake some engagements on a fixed-price basis. Revenues from our fixed-price contracts represented approximately 8.9%, 7.9% and 3.7% of total revenues for the years ended December 31, 2017, 2016 and 2015, respectively. Our pricing in a fixed-price contract depends on our assumptions and forecasts about the costs we will incur to complete the related project, which are based on limited data and could turn out to be inaccurate. Any failure by us to accurately estimate the resources and time required to complete a fixed-price contract on time and on budget or any unexpected increase in the cost of our Globers assigned to the related project, office space or materials could expose us to risks associated with cost overruns and could have an adverse effect on our business, results of operations and financial condition. In addition, any unexpected changes in economic conditions that affect any of the foregoing assumptions and predictions could render contracts that would have been favorable to us when signed unfavorable.

We may not be able to achieve anticipated growth, which could materially adversely affect our revenues, results of operations, business and prospects.

We intend to continue our expansion in the foreseeable future and to pursue existing and potential market opportunities. As we add new Studios, introduce new services or enter into new markets, we may face new market, technological and operational risks and challenges with which we are unfamiliar, and we may not be able to mitigate these risks and challenges to successfully grow those services or markets. We may not be able to achieve our anticipated growth, which could materially adversely affect our revenues, results of operations, business and prospects.

If we are unable to effectively manage the rapid growth of our business, our management personnel, systems and resources could face significant strains, which could adversely affect our results of operations.

We have experienced, and continue to experience, rapid growth in our headcount, operations and revenues, which has placed, and will continue to place, significant demands on our management and operational and financial infrastructure. Additionally, the longer-term transition in our delivery mix from Argentina-based staffing to increasingly decentralized staffing in Latin America, the United States and India has also placed additional operational and structural demands on our resources. Our future growth depends on recruiting, hiring and training technology professionals, growing our international operations, expanding our delivery capabilities, adding effective sales staff and management personnel, adding service offerings, maintaining existing clients and winning new business. Effective management of these and other growth initiatives will require us to continue to improve our infrastructure, execution standards and ability to expand services. Failure to manage growth effectively could have a material adverse effect on the quality of the execution of our engagements, our ability to attract and retain IT professionals and our business, results of operations and financial condition.

If we were to lose the services of our senior management team or other key employees, our business operations, competitive position, client relationships, revenues and results of operations may be adversely affected.

Our future success heavily depends upon the continued services of our senior management team and other key employees. We currently do not maintain key man life insurance for any of our founders, members of our senior management team or other key employees. If one or more of our senior executives or key employees are unable or unwilling to continue in their present positions, it could disrupt our business operations, and we may not be able to replace them easily, on a timely basis or at all. In addition, competition for senior executives and key employees in our industry is intense, and we may be unable to retain our senior executives and key employees or attract and retain new senior executives and key employees in the future, in which case our business may be severely disrupted.

If any of our senior management team or key employees joins a competitor or forms a competing company, we may lose clients, suppliers, know-how and key IT professionals and staff members to them. Also, if any of our sales executives or other sales personnel, who generally maintain a close relationship with our clients, joins a competitor or forms a competing company, we may lose clients to that company, and our revenues may be materially adversely affected. Additionally, there could be unauthorized disclosure or use of our technical knowledge, practices or procedures by such personnel. If any dispute arises between any members of our senior management team or key employees and us, any noncompetition, non-solicitation and nondisclosure agreements we have with our founders, senior executives or key employees might not provide effective protection to us in light of legal uncertainties associated with the enforceability of such agreements.

If we are unable to attract and retain highly-skilled IT professionals, we may not be able to maintain client relationships and grow effectively, which may adversely affect our business, results of operations and financial condition.

Our business is labor intensive and, accordingly, our success depends upon our ability to attract, develop, motivate, retain and effectively utilize highly-skilled IT professionals. We believe that there is significant competition for technology professionals in Latin America, the United States, Europe, Asia and elsewhere who possess the technical skills and experience necessary to deliver our services, and that such competition is likely to continue for the foreseeable future. As a result, the technology industry generally experiences a significant rate of turnover of its workforce. Our business plan is based on hiring and training a significant number of additional technology professionals each year in order to meet anticipated turnover and increased staffing needs. Our ability to properly staff projects, to maintain and renew existing engagements and to win new business depends, in large part, on our ability to hire and retain qualified IT professionals.

We cannot assure you that we will be able to recruit and train a sufficient number of qualified professionals or that we will be successful in retaining current or future employees. Increased hiring by technology companies, particularly in Latin America, the United States, Asia and Europe, and increasing worldwide competition for skilled technology professionals may lead to a shortage in the availability of qualified personnel in the locations where we operate and hire. Failure to hire and train or retain qualified technology professionals in sufficient numbers could have a material adverse effect on our business, results of operations and financial condition.

If we do not continue to innovate and remain at the forefront of emerging technologies and related market trends, we may lose clients and not remain competitive, which could cause our revenues and results of operations to suffer.

Our success depends on delivering digital journeys that leverage emerging technologies and emerging market trends to drive increased revenues and effective communication with customers. Technological advances and innovation are constant in the technology services industry. As a result, we must continue to invest significant resources in research and development to stay abreast of technology developments so that we may continue to deliver digital journeys that our clients will wish to purchase. If we are unable to anticipate technology developments, enhance our existing services or develop and introduce new services to keep pace with such changes and meet changing client needs, we may lose clients and our revenues and results of operations could suffer. Our results of operations would also suffer if our innovations are not responsive to the needs of our clients, are not appropriately timed with market opportunities or are not effectively brought to market. Our competitors may be able to offer engineering, design and innovation services that are, or that are perceived to be, substantially similar or better than those we offer. This may force us to compete on other fronts in addition to the quality of our services and to expend significant resources in order to remain competitive, which we may be unable to do.

If the current effective income tax rate payable by us in any country in which we operate is increased or if we lose any country-specific tax benefits, then our financial condition and results of operations may be adversely affected.

We conduct business globally and file income tax returns in multiple jurisdictions. Our consolidated effective income tax rate could be materially adversely affected by several factors, including changes in the amount of income taxed by or allocated to the various jurisdictions in which we operate that have differing statutory tax rates; changing tax laws, regulations and interpretations of such tax laws in multiple jurisdictions; and the resolution of issues arising from tax audits or examinations and any related interest or penalties.

We report our results of operations based on our determination of the amount of taxes owed in the various jurisdictions in which we operate. We have transfer pricing arrangements among our subsidiaries in relation to various aspects of our business, including operations, marketing, sales and delivery functions. Transfer pricing regulations require that any international transaction involving associated enterprises be on arm's-length terms. We consider the transactions among our subsidiaries to be on arm's-length terms. The determination of our consolidated provision for income taxes and other tax liabilities requires estimation, judgment and calculations where the ultimate tax determination may not be certain. Our determination of tax liability is always subject to review or examination by authorities in various jurisdictions.

Under Argentina's Law No. 25,922 (*Ley de Promoción de la Industria de Software*), as amended by Law No. 26,692 and Decree No. 95/2018 (the "Software Promotion Law"), our operating subsidiaries in Argentina benefit from a 60% reduction in their corporate income tax rate (as applied to income from promoted software activities) and a tax credit of up to 70% of amounts paid for certain social security taxes (contributions) that may be offset against value-added tax liabilities. Law No. 26,692, the 2011 amendment to the Software Promotion Law ("Law No. 26,692"), also allows such tax credits to be applied to reduce our Argentine subsidiaries' corporate income tax liability by a percentage not higher than the subsidiaries' declared percentage of exports and extends the tax benefits under the Software Promotion Law until December 31, 2019.

On September 16, 2013, the Argentine government published Regulatory Decree No. 1315/2013, which governs the implementation of the Software Promotion Law. Regulatory Decree No. 1315/2013 introduced specific requirements to qualify for the tax benefits contemplated by the Software Promotion Law. In particular, Regulatory Decree No. 1315/2013 provides that from September 17, 2014 through December 31, 2019, only those companies that are accepted for registration in the National Registry of Software Producers (*Registro Nacional de Productores de Software y Servicios Informáticos*) maintained by the Assistant Secretary of Technological and Productive Services (*Subsecretaría de Servicios Tecnológicos y Productivos*) - former Secretary of Industry (*Secretaría de Industria del Ministerio de Industria*) - will be entitled to participate in the benefits of the Software Promotion Law.

On March 11, 2014, the Argentine Federal Administration of Public Revenue (*Administración Federal de Ingresos Públicos*, or "AFIP") issued General Resolution No. 3,597 ("General Resolution No. 3,597"). This measure provides that, as a further prerequisite to participation in the benefits of the Software Promotion Law, exporters of software and related services must register in a newly established Special Registry of Exporters of Services (*Registro Especial de Exportadores de Servicios*).

According to the abovementioned regulations, on March 14, May 21 and May 28, 2014, our Argentine subsidiaries Huddle Group S.A., IAFH Global S.A. and Sistemas Globales S.A., respectively, were accepted for registration in the Special Registry of Exporters of Services.

On June 25, 2014, our Argentine subsidiaries Huddle Group S.A., IAFH Global S.A. and Sistemas Globales S.A. applied for registration in the National Registry of Software Producers.

The Secretary and Subsecretary of Industry issued rulings approving the registration in the National Registry of Software Producers of our subsidiaries as follows: (i) Sistemas Globales S.A. on March 18, 2015 and (ii) Huddle Group S.A. and IAFH Global S.A. on April 13, 2015. In each case, the ruling made the effective date of registration retroactive to September 18, 2014 and provided that the benefits enjoyed under the Software Promotion Law as originally enacted were not extinguished until the ruling goes into effect (which have occurred upon its date of publication in the Argentine government's official gazette on before mentioned dates).

On May 7, 2015, Huddle Group S.A. deregistered from the National Registry of Software Producers because it had discontinued activities on January 1, 2015. As a result of the deregistration, Huddle Group S.A. became subject to the general corporate income tax rate, which was 35% for fiscal periods beginning prior to January 1, 2018. For fiscal years beginning on or after January 1, 2018, the general corporate income tax rate is 30%. For fiscal years beginning on or after January 1, 2020, the general corporate income tax rate will be 25%.

Our subsidiary in Uruguay, Sistemas Globales Uruguay S.A., which is situated in a tax-free zone, benefits from a 0% income tax rate and an exemption from value-added tax.

Additionally, services provided by Difier are exempt from income tax in Uruguay. The exemption applies to software development services as long as they are exported and utilized abroad.

In India, under the Special Economic Zones Act of 2005, the services provided by export-oriented companies within Special Economic Zones (each, an "SEZ") are eligible for a deduction of 100% of the profits or gains derived from the export of services for the first five years from the financial year in which the company commenced the provision of services and 50% of such profits or gains for the five years thereafter. Companies must meet the conditions under Section 10AA of Income Tax Act to be eligible for the benefit. Other tax benefits are also available for registered SEZ companies. Our Indian subsidiary is subject to corporate income tax at the rate of 34.61%, including surcharges. Our Indian subsidiary is located in an SEZ and has completed the SEZ registration process. Consequently, we expect to start applying the income tax benefit in the second half of 2018. If the Indian government changes its policies after our Indian subsidiary obtains registration in an SEZ, our business, results of operations and financial condition may be adversely affected. With the growth of our business in an SEZ, our Indian subsidiary may be required to compute its tax liability under Minimum Alternate Tax ("MAT") in future years at the current rate of approximately 21.34%, including surcharges, as its tax liability under the general tax provisions may be lower compared to the MAT liability.

If these tax incentives in Argentina, Uruguay and India are changed, terminated, not extended or made unavailable, or comparable new tax incentives are not introduced, we expect that our effective income tax rate and/or our operating expenses would increase significantly, which could materially adversely affect our financial condition and results of operations. See "Operating and Financial Review and Prospects — Operating Results — Certain Income Statement Line Items — Income Tax Expense" and "Operating and Financial Review and Prospects — Liquidity and Capital Resources — Future Capital Requirements."

If any of our largest clients terminates, decreases the scope of, or fails to renew its business relationship or short-term contract with us, our revenues, business and results of operations may be adversely affected.

We generate a significant portion of our revenues from our ten largest clients. During the years ended December 31, 2017, 2016 and 2015, our largest customers based on revenues, Walt Disney Parks and Resorts Online in 2017 and 2015, and Southwest Airlines Co. in 2016, accounted for 10.2%, 12.3% and 9.7% of our revenues, respectively. During the years ended December 31, 2017, 2016 and 2015, our ten largest clients accounted for 41.9%, 46.5% and 46.7% of our revenues, respectively.

Our ability to maintain close relationships with these and other major clients is essential to the growth and profitability of our business. However, most of our client contracts are limited to short-term, discrete projects without any commitment to a specific volume of business or future work, and the volume of work performed for a specific client is likely to vary from year to year, especially since we are generally not our clients' exclusive technology services provider. A major client in one year may not provide the same level of revenues for us in any subsequent year. The technology services we provide to our clients, and the revenues and income from those services, may decline or vary as the type and quantity of technology services we provide changes over time. In addition, our reliance on any individual client for a significant portion of our revenues may give that client a certain degree of pricing leverage against us when negotiating contracts and terms of service.

In addition, a number of factors, including the following, other than our performance could cause the loss of or reduction in business or revenues from a client and these factors are not predictable:

- our need to devote time and resources to training, professional development and other activities that cannot be billed to our clients.
- the business or financial condition of that client or the economy generally;
- a change in strategic priorities by that client, resulting in a reduced level of spending on technology services;
- a demand for price reductions by that client; and
- a decision by that client to move work in-house or to one or several of our competitors.

The loss or diminution in business from any of our major clients could have a material adverse effect on our revenues and results of operations.

Our revenues, margins, results of operations and financial condition may be materially adversely affected if general economic conditions in the United States, Latin America, Europe or the global economy worsen.

We derive a significant portion of our revenues from clients located in the United States and, to a lesser extent, Latin America and Europe. The technology services industry is particularly sensitive to the economic environment, and tends to decline during general economic downturns. If the U.S., Latin American or European economies weaken or slow, pricing for our services may be depressed and our clients may reduce or postpone their technology spending significantly, which may, in turn, lower the demand for our services and negatively affect our revenues and profitability.

The current U.S. administration has called for changes to domestic and foreign policy, including but not limited to changes to existing trade agreements, import and export regulations, immigration, tariffs and customs duties, tax regulations, environmental regulations and other areas that become subject to significant changes. We cannot predict the impact, if any, the policies adopted by the current U.S. administration will have on our business. Such policies, should they occur, could result in general business interruptions, delays from difficulties in obtaining import and/or export licenses for certain technology, tariffs and other barriers and restrictions, longer payment cycles, increased taxes, restrictions on the repatriation of funds and the burdens of complying with a variety of foreign laws, any of which could ultimately have a material adverse effect on our business.

The economic situation in Europe is still recovering and economic performance remains uncertain. There is still some concern that certain European countries may default in payments due on their national debt obligations and from related European financial restructuring efforts. If such defaults were to occur, or if European financial restructuring efforts create their own instability, the global credit markets may become less stable. Continued financial instability in Europe could adversely affect our European operations and, in turn, could have a material adverse effect on us. In addition, if the U.K.'s referendum to exit from the E.U., known as Brexit, is implemented, its effects on us will depend on the resulting agreements regarding trade and travel made between the United Kingdom and European Union.

If we are unable to successfully anticipate changing economic and political conditions affecting the markets in which we operate, we may be unable to effectively plan for or respond to those changes, and our results of operations could be adversely affected.

We face intense competition from technology and IT services providers, and an increase in competition, our inability to compete successfully, pricing pressures or loss of market share could materially adversely affect our revenues, results of operations and financial condition.

The market for technology and IT services is intensely competitive, highly fragmented and subject to rapid change and evolving industry standards and we expect competition to intensify. We believe that the principal competitive factors that we face are the ability to innovate; technical expertise and industry knowledge; end-to-end solution offerings; reputation and track record for high-quality and on-time delivery of work; effective employee recruiting; training and retention; responsiveness to clients' business needs; scale; financial stability; and price.

We face competition primarily from large global consulting and outsourcing firms, digital agencies and design firms, traditional technology outsourcing providers, and the in-house product development departments of our clients and potential clients. Many of our competitors have substantially greater financial, technical and marketing resources and greater name recognition than we do. As a result, they may be able to compete more aggressively on pricing or devote greater resources to the development and promotion of technology and IT services. Companies based in some emerging markets also present significant price competition due to their competitive cost structures and tax advantages.

In addition, there are relatively few barriers to entry into our markets and we have faced, and expect to continue to face, competition from new technology services providers. Further, there is a risk that our clients may elect to increase their internal resources to satisfy their services needs as opposed to relying on a third-party vendor, such as our company. The technology services industry is also undergoing consolidation, which may result in increased competition in our target markets in the United States and Europe from larger firms that may have substantially greater financial, marketing or technical resources, may be able to respond more quickly to new technologies or processes and changes in client demands, and may be able to devote greater resources to the development, promotion and sale of their services than we can. Increased competition could also result in price reductions, reduced operating margins and loss of our market share. We cannot assure you that we will be able to compete successfully with existing or new competitors or that competitive pressures will not materially adversely affect our business, results of operations and financial condition.

Our business depends on a strong brand and corporate reputation, and if we are not able to maintain and enhance our brand, our ability to expand our client base will be impaired and our business and operating results will be adversely affected.

Since many of our specific client engagements involve highly tailored solutions, our corporate reputation is a significant factor in our clients' and prospective clients' determination of whether to engage us. We believe the Globant brand name and our reputation are important corporate assets that help distinguish our services from those of our competitors and also contribute to our efforts to recruit and retain talented IT professionals. However, our corporate reputation is susceptible to damage by actions or statements made by current or former employees or clients, competitors, vendors, adversaries in legal proceedings and government regulators, as well as members of the investment community and the media. There is a risk that negative information about our company, even if based on false rumor or misunderstanding, could adversely affect our business. In particular, damage to our reputation could be difficult and time-consuming to repair, could make potential or existing clients reluctant to select us for new engagements, resulting in a loss of business, and could adversely affect our recruitment and retention efforts. Damage to our reputation could also reduce the value and effectiveness of our Globant brand name and could reduce investor confidence in us and result in a decline in the price of our common shares.

We are seeking to expand our presence in the United States, which entails significant expenses and deployment of employees on-site with our clients. If we are unable to manage our operational expansion into the United States, it may adversely affect our business, results of operations and prospects.

A key element of our strategy is to expand our delivery footprint, including by increasing the number of employees that are deployed onsite at our clients or near client locations. In particular, we intend to focus our recruitment efforts on the United States. Client demands, the availability of high-quality technical and operational personnel at attractive compensation rates, regulatory environments and other pertinent factors may vary significantly by region and our experience in the markets in which we currently operate may not be applicable to other regions. As a result, we may not be able to leverage our experience to expand our delivery footprint effectively into our target markets in the United States. If we are unable to manage our expansion efforts effectively, if our expansion plans take longer to implement than expected or if our costs for these efforts exceed our expectations, our business, results of operations and prospects could be materially adversely affected.

If a significant number of our Globers were to join unions, our labor costs and our business could be negatively affected.

As of December 31, 2017, we had 68 Globers, 60 working at our delivery center located in Rosario, Argentina, who are covered by a collective bargaining agreement with the *Federación Argentina de Empleados de Comercio y Servicios* ("FAECYS"), which is renewed on an annual basis. In addition, our primary Argentine subsidiary is defending a lawsuit filed by FAECYS in which FAECYS is demanding the application of its collective labor agreement to unspecified categories of employees of that subsidiary. According to FAECYS's claim, our principal Argentine subsidiary would have been required to withhold and transfer to FAECYS an amount equal to 0.5% of the gross monthly salaries of that subsidiary's payroll from October 2006 to October 2011. Furthermore, FAECYS' claim may be increased to cover withholdings from October 2006 through the date of a future judgment. Several Argentine technology companies are facing similar lawsuits filed by FAECYS which have been decided in favor of both the companies and FAECYS. Under Argentine law, judicial decisions only apply to the particular case at hand. There is no *stare decisis* and courts' decisions are not binding on lower courts even in the same jurisdiction although they may be used as guidelines on other similar cases. See "Financial Information — Consolidated Statements and Other Financial Information — Legal Proceedings" and the notes to our consolidated financial statements. If a significant additional number of our Globers were to join unions, our labor costs and our business could be negatively affected.

Our revenues are dependent on a limited number of industries, and any decrease in demand for technology services in these industries could reduce our revenues and adversely affect our results of operations.

A substantial portion of our clients are concentrated in the following industries: media and entertainment; travel and hospitality; banks, financial services and insurance; and, technology and telecommunications which industries, in the aggregate, constituted 78.3%, 75.0% and 72.6% of our total revenues for the years ended December 31, 2017, 2016 and 2015, respectively. Our business growth largely depends on continued demand for our services from clients in these industries and other industries that we may target in the future, as well as on trends in these industries to purchase technology services or to move such services in-house.

A downturn in any of these or our targeted industries, a slowdown or reversal of the trend to spend on technology services in any of these industries could result in a decrease in the demand for our services and materially adversely affect our revenues, financial condition and results of operations. For example, a worsening of economic conditions in the media and entertainment industry and significant consolidation in that industry may reduce the demand for our services and negatively affect our revenues and profitability.

Other developments in the industries in which we operate may also lead to a decline in the demand for our services in these industries, and we may not be able to successfully anticipate and prepare for any such changes. For example, consolidation in any of these industries or acquisitions, particularly involving our clients, may adversely affect our business. Our clients may experience rapid changes in their prospects, substantial price competition and pressure on their profitability. This, in turn, may result in increasing pressure on us from clients in these key industries to lower our prices, which could adversely affect our revenues, results of operations and financial condition.

We have a relatively short operating history and operate in a rapidly evolving industry, which makes it difficult to evaluate our future prospects, may increase the risk that we will not continue to be successful and, accordingly, increases the risk of your investment.

Our company was founded in 2003 and, therefore, has a relatively short operating history. In addition, the technology services industry itself is continuously evolving. Competition, fueled by rapidly changing consumer demands and constant technological developments, renders the technology services industry one in which success and performance metrics are difficult to predict and measure. Because services and technologies are rapidly evolving and each company within the industry can vary greatly in terms of the services it provides, its business model, and its results of operations, it can be difficult to predict how any company's services, including ours, will be received in the market. While enterprises have been willing to devote significant resources to incorporate emerging technologies and related market trends into their business models, enterprises may not continue to spend any significant portion of their budgets on our services in the future. Neither our past financial performance nor the past financial performance of any other company in the technology services industry is indicative of how our company will fare financially in the future. Our future profits may vary substantially from those of other companies, and those we have achieved in the past, making investment in our company risky and speculative. If our clients' demand for our services declines, as a result of economic conditions, market factors or shifts in the technology industry, our business would suffer and our results of operations and financial condition would be adversely affected.

We are investing substantial cash in new facilities and physical infrastructure, and our profitability and cash flows could be reduced if our business does not grow proportionately.

We have made and continue to make significant contractual commitments related to capital expenditures on construction or expansion of our delivery centers. We may encounter cost overruns or project delays in connection with opening new, or expanding existing, facilities. These expansions will likely increase our fixed costs and if we are unable to grow our business and revenues proportionately, our profitability and cash flows may be negatively affected.

If we cause disruptions in our clients' businesses or provide inadequate service, our clients may have claims for substantial damages against us, which could cause us to lose clients, have a negative effect on our corporate reputation and adversely affect our results of operations.

If our Globers make errors in the course of delivering services to our clients or fail to consistently meet service requirements of a client, these errors or failures could disrupt the client's business, which could result in a reduction in our revenues or a claim for substantial damages against us. In addition, a failure or inability to meet a contractual requirement could seriously damage our corporate reputation and limit our ability to attract new business.

The services we provide are often critical to our clients' businesses. Certain of our client contracts require us to comply with security obligations including maintaining network security and backup data, ensuring our network is virus-free, maintaining business continuity planning procedures, and verifying the integrity of employees that work with our clients by conducting background checks. Any failure in a client's system or breach of security relating to the services we provide to the client could damage our reputation or result in a claim for substantial damages against us. Any significant failure of our equipment or systems, or any major disruption to basic infrastructure like power and telecommunications in the locations in which we operate, could impede our ability to provide services to our clients, have a negative impact on our reputation, cause us to lose clients, and adversely affect our results of operations.

Under our client contracts, our liability for breach of our obligations is in some cases limited pursuant to the terms of the contract. Such limitations may be unenforceable or otherwise may not protect us from liability for damages. In addition, certain liabilities, such as claims of third parties for which we may be required to indemnify our clients, are generally not limited under our contracts. The successful assertion of one or more large claims against us in amounts greater than those covered by our current insurance policies could materially adversely affect our business, financial condition and results of operations. Even if such assertions against us are unsuccessful, we may incur reputational harm and substantial legal fees.

We may face losses or reputational damage if our software solutions turn out to contain undetected software defects.

A significant amount of our business involves developing software solutions for our clients as part of our provision of technology services. We are required to make certain representations and warranties to our clients regarding the quality and functionality of our software. Any undetected software defects could result in liability to our clients under certain contracts as well as losses resulting from any litigation initiated by clients due to any losses sustained as a result of the defects. Any such liability or losses could have an adverse effect on our financial condition as well as on our reputation with our clients and in the technology services market in general.

Our client relationships, revenues, results of operations and financial condition may be adversely affected if we experience disruptions in our Internet infrastructure, telecommunications or IT systems.

Disruptions in telecommunications, system failures, Internet infrastructure or computer virus attacks could damage our reputation and harm our ability to deliver services to our clients, which could result in client dissatisfaction and a loss of business and related reduction of our revenues. We may not be able to consistently maintain active voice and data communications between our various global operations and with our clients due to disruptions in telecommunication networks and power supply, system failures or computer virus attacks. Any significant failure in our ability to communicate could result in a disruption in business, which could hinder our performance and our ability to complete projects on time. Such failure to perform on client contracts could have a material adverse effect on our business, results of operations and financial condition.

If our computer system is or becomes vulnerable to security breaches, or if any of our employees misappropriates data, we may face reputational damage, lose clients and revenues, or incur losses.

We often have access to or are required to collect and store confidential client and customer data. Many of our client contracts do not limit our potential liability for breaches of confidentiality. If any person, including any of our Globers or former Globers, penetrates our network security or misappropriates data or code that belongs to us, our clients, or our clients' customers, we could be subject to significant liability from our clients or from our clients' customers for breaching contractual confidentiality provisions or privacy laws.

Unauthorized disclosure of sensitive or confidential client and customer data, whether through breach of our computer systems, systems failure, loss or theft of confidential information or intellectual property belonging to our clients or our clients' customers, or otherwise, could damage our reputation, cause us to lose clients and revenues, and result in financial and other potential losses by us, as well as require us to expend significant resources to protect against further breaches and to rectify problems caused by these events. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under applicable laws, and regulatory penalties and could adversely affect our business, revenues and competitive position.

Our business, results of operations and financial condition may be adversely affected by the various conflicting and/or onerous legal and regulatory requirements imposed on us by the countries where we operate.

Since we provide services to clients throughout the world, we are subject to numerous, and sometimes conflicting, legal requirements on matters as diverse as import/export controls, content requirements, trade restrictions, tariffs, taxation, sanctions, government affairs, anti-bribery, whistle blowing, internal and disclosure control obligations, data protection and privacy and labor relations. Our failure to comply with these regulations in the conduct of our business could result in fines, penalties, criminal sanctions against us or our officers, disgorgement of profits, prohibitions on doing business and adverse impact on our reputation. Our failure to comply with these regulations in connection with the performance of our obligations to our clients could also result in liability for monetary damages, fines and/or criminal prosecution, unfavorable publicity, restrictions on our ability to process information and allegations by our clients that we have not performed our contractual obligations. Due to the varying degree of development of the legal systems of the countries in which we operate, local laws might be insufficient to defend us and preserve our rights.

Due to our operating in a number of countries in Latin America, the United States, Europe and India, we are also subject to risks relating to compliance with a variety of national and local laws including multiple tax regimes, labor laws, employee health safety and wages and benefits laws. We may, from time to time, be subject to litigation or administrative actions resulting from claims against us by current or former Globers individually or as part of class actions, including claims of wrongful terminations, discrimination, misclassification or other violations of labor law or other alleged conduct. We may also, from time to time, be subject to litigation resulting from claims against us by third parties, including claims of breach of noncompete and confidentiality provisions of our employees' former employment agreements with such third parties. Our failure to comply with applicable regulatory requirements could have a material adverse effect on our business, results of operations and financial condition.

We may not be able to prevent unauthorized use of our intellectual property and our intellectual property rights may not be adequate to protect our business, competitive position, results of operations and financial condition.

Our success depends in part on certain methodologies, practices, tools and technical expertise our company utilizes in designing, developing, implementing and maintaining applications and other proprietary intellectual capital. In order to protect our rights in this intellectual capital, we rely upon a combination of nondisclosure and other contractual arrangements as well as trade secret, patent, copyright and trademark laws. We also generally enter into confidentiality agreements with our employees, consultants, clients and potential clients and limit access to and distribution of our proprietary information.

We hold several trademarks and intend to submit additional U.S. federal and foreign trademark applications for developments relating to additional service offerings in the future. We cannot assure you that we will be successful in maintaining existing or obtaining future intellectual property rights or registrations. There can be no assurance that the laws, rules, regulations and treaties in the countries in which we operate in effect now or in the future or the contractual and other protective measures we take are adequate to protect us from misappropriation or unauthorized use of our intellectual capital or that such laws, rules, regulations and treaties will not change.

We cannot assure you that we will be able to detect unauthorized use of our intellectual property and take appropriate steps to enforce our rights or that any such steps will be successful. We cannot assure you that we have taken all necessary steps to enforce our intellectual property rights in every jurisdiction in which we operate and we cannot assure you that the intellectual property laws of any jurisdiction in which we operate are adequate to protect our interest or that any favorable judgment obtained by us with respect thereto will be enforced in the courts. Misappropriation by third parties of, or other failure to protect, our intellectual property, including the costs of enforcing our intellectual property rights, could have a material adverse effect on our business, competitive position, results of operations and financial condition.

If we incur any liability for a violation of the intellectual property rights of others, our reputation, business, financial condition and prospects may be adversely affected.

Our success largely depends on our ability to use and develop our technology, tools, code, methodologies and services without infringing the intellectual property rights of third parties, including patents, copyrights, trade secrets and trademarks. We may be subject to litigation involving claims of patent infringement or violation of other intellectual property rights of third parties. We typically indemnify clients who purchase our services and solutions against potential infringement of intellectual property rights, which subjects us to the risk of indemnification claims. These claims may require us to initiate or defend protracted and costly litigation on behalf of our clients, regardless of the merits of these claims and are often not subject to liability limits or exclusion of consequential, indirect or punitive damages. If any of these claims succeed, we may be forced to pay damages on behalf of our clients, redesign or cease offering our allegedly infringing services or solutions, or obtain licenses for the intellectual property such services or solutions allegedly infringe. If we cannot obtain all necessary licenses on commercially reasonable terms, our clients may stop using our services or solutions.

Further, our current and former Globers could challenge our exclusive rights to the software they have developed in the course of their employment. In certain countries in which we operate, an employer is deemed to own the copyright work created by its employees during the course, and within the scope, of their employment, but the employer may be required to satisfy additional legal requirements in order to make further use and dispose of such works. While we believe that we have complied with all such requirements, and have fulfilled all requirements necessary to acquire all rights in software developed by our independent contractors, these requirements are often ambiguously defined and enforced. As a result, we cannot assure you that we would be successful in defending against any claim by our current or former Globers or independent contractors challenging our exclusive rights over the use and transfer of works those Globers or independent contractors created or requesting additional compensation for such works.

We are subject to additional risks as a result of our recent and possible future acquisitions and the hiring of new employees who may misappropriate intellectual property from their former employers. The developers of the technology that we have acquired or may acquire may not have appropriately created, maintained or enforced intellectual property rights in such technology. Indemnification and other rights under acquisition documents may be limited in term and scope and may therefore provide little or no protection from these risks. Parties making infringement claims may be able to obtain an injunction to prevent us from delivering our services or using technology involving the allegedly infringing intellectual property. Intellectual property litigation is expensive and time-consuming and could divert management's attention from our business. A successful infringement claim against us, whether with or without merit, could, among others things, require us to pay substantial damages, develop substitute non-infringing technology, or rebrand our name or enter into royalty or license agreements that may not be available on acceptable terms, if at all, and would require us to cease making, licensing or using products that have infringed a third party's intellectual property rights. Protracted litigation could also result in existing or potential clients deferring or limiting their purchase or use of our software product development services or solutions until resolution of such litigation, or could require us to indemnify our clients against infringement claims in certain instances. Any intellectual property claim or litigation, whether we ultimately win or lose, could damage our reputation and materially adversely affect our business, financial condition and results of operations.

We may not be able to recognize revenues in the period in which our services are performed and the costs of those services are incurred, which may cause our margins to fluctuate.

We perform our services primarily under time-and-materials contracts and, to a lesser extent, fixed-price contracts. All revenues are recognized pursuant to applicable accounting standards.

Unlike our time-and-materials contracts, for which revenue is recognized as services are provided, our fixed-priced contracts require the use of certain accounting estimates. We utilize the percentage-of-completion method to account for these contracts. As labor costs represent the primary cost component under such contracts, we estimate each of our fixed-price contract's total labor cost to date as a proportion of its total expected labor cost. Non-recurring fixed-priced contracts can require additional estimates related to labor hours and specification and testing requirement changes. We monitor these factors and continuously revise and refine our estimates during the term of our fixed-price contracts.

Uncertainty about the project completion or receipt of payment for our services or our failure to meet all the acceptance criteria, or otherwise meet a client's expectations, may result in us having to record the cost related to the performance of services in the period that services were rendered, but delay the timing of revenue recognition to a future period in which all acceptance criteria have been met, which may cause our margins to fluctuate.

Our cash flows and results of operations may be adversely affected if we are unable to collect on billed and unbilled receivables from clients.

Our business depends on our ability to successfully obtain payment from our clients of the amounts they owe us for work performed. We evaluate the financial condition of our clients and usually bill and collect on relatively short cycles. We maintain provisions against receivables. Actual losses on client balances could differ from those that we currently anticipate and, as a result, we may need to adjust our provisions. We cannot assure you that we will accurately assess the creditworthiness of our clients. Macroeconomic conditions, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our clients, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause clients to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables balance. Timely collection of fees for client services also depends on our ability to complete our contractual commitments and subsequently bill for and collect our contractual service fees. If we are unable to meet our contractual obligations, we might experience delays in the collection of or be unable to collect our client balances, which could adversely affect our results of operations and cash flows. In addition, if we experience an increase in the time required to bill and collect for our services, our cash flows could be adversely affected, which could affect our ability to make necessary investments and, therefore, our results of operations.

If we are faced with immigration or work permit restrictions in any country where we currently have personnel onsite at a client location or would like to expand our delivery footprint, then our business, results of operations and financial condition may be adversely affected.

A key part of Globant's strategy is to expand our delivery footprint, including by increasing the number of employees that are deployed onsite at our clients or near client locations. Therefore, we must comply with the immigration, work permit and visa laws and regulations of the countries in which we operate or plan to operate. Our future inability to obtain or renew sufficient work permits and/or visas due to the impact of these regulations, including any changes to immigration, work permit and visa regulations in jurisdictions such as the United States and Europe, could have a material adverse effect on our business, results of operations and financial condition. See "Financial Information — Consolidated Statements and Other Financial Information — Legal Proceedings".

If we are unable to maintain favorable pricing terms with current or new suppliers, our results of operations would be adversely affected.

We rely to a limited extent on suppliers of goods and services. In some cases, we have contracts with such parties guaranteeing us favorable pricing terms. We cannot guarantee our ability to maintain such pricing terms beyond the date that pricing terms are fixed pursuant to a written agreement. Furthermore, should economic circumstances change, such that suppliers find it beneficial to change or attempt to renegotiate such pricing terms in their favor, we cannot assure you that we would be able to withstand an increase or achieve a favorable outcome in any such negotiation. Any change in our pricing terms would increase our costs and expenses, which would have an adverse effect on our results of operations.

If our current insurance coverage is or becomes insufficient to protect against losses incurred, our business, results of operations and financial condition may be adversely affected.

We provide technology services that are integral to our clients' businesses. If we were to default in the provision of any contractually agreed-upon services, our clients could suffer significant damages and make claims upon us for those damages. Although we believe that we have adequate processes in place to protect against defaults in the provisions of services, errors and omissions may occur. We currently carry errors and omissions liability coverage for all of the services we provide. To the extent client damages are deemed recoverable against us in amounts substantially in excess of our insurance coverage, or if our claims for insurance coverage are denied by our insurance carriers for any reason including, but not limited to our failure to provide insurance carrier-required documentation or our failure to follow insurance carrier-required claim settlement procedures, there could be a material adverse effect on our business, results of operations and financial condition.

Strategic acquisitions to complement and expand our business have been and will likely remain an important part of our competitive strategy. If we fail to acquire companies whose prospects, when combined with our company, would increase our value, or if we acquire and fail to efficiently integrate such other companies, then our business, results of operations, and financial condition may be adversely affected.

We have expanded, and may continue to expand, our operations through strategically targeted acquisitions focused on deepening our relationships with key clients, extending our technological capacities including services over platforms, broadening our service offering and expanding the geographic footprint of our delivery centers, including beyond Latin America. We completed two acquisitions in 2008, one in 2011, two in 2012, one in 2013, one in 2014, two in 2015, three in 2016 and two in 2017. Financing of any future acquisition could require the incurrence of indebtedness, the issuance of equity or a combination of both. There can be no assurance that we will be able to identify, acquire or profitably manage additional businesses or successfully integrate any acquired businesses without substantial expense, delays or other operational or financial risks and problems. Furthermore, acquisitions may involve a number of special risks, including diversion of management's attention, failure to retain key acquired personnel, unanticipated events or legal liabilities and amortization of acquired intangible assets. In addition, any client satisfaction or performance problems within an acquired business could have a material adverse impact on our company's corporate reputation and brand. We cannot assure you that any acquired businesses would achieve anticipated revenues and earnings. Any failure to manage our acquisition strategy successfully could have a material adverse effect on our business, results of operations and financial condition.

We have incurred significant share-based compensation expense in the past, and may in the future continue to incur share-based compensation expense, which could adversely impact our profits or the trading price of our common shares.

On July 3, 2014, our board of directors and shareholders approved and adopted the 2014 Equity Incentive Plan, which was amended by our board of directors on May 9, 2016 to increase the number of common shares that may be issued as stock awards from 1,666,667 to up to 3,666,667.

From the adoption of the plan until the date of this annual report we have granted to members of our senior management and certain other employees 30,000 stock awards, options to purchase 2,103,456 common shares and 344,523 restricted stock units. Most of the options and restricted stock units were granted with a vesting period of four years, 25% of each grant becoming exercisable on each anniversary of the grant date. The remaining options and restricted stock units were granted with a vesting period agreed with those employees. Share-based compensation expense for awards of equity instruments is determined based on the fair value of the awards at the grant date. Each of our employee share options is exercisable for one of our common shares, and each of our restricted stock units will be settled, automatically upon its vesting, with one of our common shares. No amounts are paid or payable by the recipient on receipt of an option or restricted stock unit. Neither the options nor the restricted stock units carry rights to dividends or voting rights. Options may be exercised at any time from the date of vesting to the date of their expiration (ten years after the grant date).

For the years ended December 31, 2017, 2016 and 2015, we recorded \$14.5, \$3.6 and \$2.4 million, respectively, of share-based compensation expense related to the grant of options and restricted stock units.

The expenses associated with share-based compensation may reduce the attractiveness of issuing equity awards under our equity incentive plan. However, if we do not grant equity awards, or if we reduce the number of equity awards we grant, we may not be able to attract and retain key personnel. If we grant more equity awards to attract and retain key personnel, the expenses associated with such additional equity awards could materially adversely affect our results of operations and the trading price of our common shares.

Our ability to expand our business and procure new contracts or enter into beneficial business arrangements could be affected to the extent we enter into agreements with clients containing noncompetition clauses.

Some of our services agreements restrict our ability to perform similar services for certain of our clients' competitors under specific circumstances. We may in the future enter into additional agreements with clients that restrict our ability to accept assignments from, or render similar services to, those clients' customers, require us to obtain our clients' prior written consent to provide services to their customers or restrict our ability to compete with our clients, or bid for or accept any assignment for which those clients are bidding or negotiating. These restrictions may hamper our ability to compete for and provide services to other clients in a specific industry in which we have expertise and could materially adversely affect our business, financial condition and results of operations.

The terms of our credit facility place restrictions on our operating and financial flexibility.

On August 3, 2017, Globant LLC, our U.S. subsidiary, entered into a secured revolving credit facility with HSBC Bank USA, N.A. and Citibank N.A., with HSBC Bank USA, N.A. acting as administrative agent. Under this credit facility, Globant LLC may borrow up to \$40.0 million in advances accruing interest at LIBOR plus 1.75%. This credit facility is guaranteed by Globant S.A. and Globant España S.A. and is secured by Globant LLC's now owned and after-acquired assets. This facility matures on August 2, 2022 and includes the following covenants: delivery of certain financial information; reports on any legal actions, complying with tax payments; maintain an asset coverage ratio of no less than 1.10; limiting Globant LLC's capital expenditures to 5% of our consolidated annual revenue per year; restricted payments must not to exceed \$10.0 million per year; Globant LLC's annual revenue must remain at no less than 60% of our consolidated annual revenue and Globant LLC's net intercompany payable outstanding with Argentine affiliates must be no more than five months of billings from Argentina. Compliance with these covenants may limit our flexibility in operating our business and our ability to take actions that might be advantageous to us and our shareholders.

As of December 31, 2017, \$6.0 million in principal was outstanding this credit facility.

Risks Related to Operating in Latin America and Argentina

Our largest operating subsidiary is based in Argentina and we have subsidiaries in Chile, Colombia, Uruguay, Peru, Mexico and Brazil. There are significant risks to operating in those countries that should be carefully considered before making an investment decision.

Latin America

Latin America has experienced adverse economic conditions that may impact our business, financial condition and results of operations.

Our business is dependent to a certain extent upon the economic conditions prevalent in Argentina as well as the other Latin American countries in which we operate. Latin American countries have historically experienced uneven periods of economic growth, as well as recession, periods of high inflation and economic instability. As a consequence of adverse economic conditions in global markets and diminishing commodity prices, the economic growth rates of the economies of many Latin American countries have slowed and some have entered mild recessions. Adverse economic conditions in any of these countries could have a material adverse effect on our business, financial condition and results of operations.

Latin American governments have exercised and continue to exercise significant influence over the economies of the countries where we operate, which could adversely affect our business, financial condition, results of operations and prospects.

Historically, governments in Latin America have frequently intervened in the economies of their respective countries and have occasionally made significant changes in policy and regulations. Governmental actions to control inflation and other policies and regulations have often involved, among others, price controls, currency devaluations, capital controls and tariffs. Our business, financial condition, results of operations and prospects may be adversely affected by:

- changes in government policies or regulations, including such factors as exchange rates and exchange control policies;
- inflation rates;
- interest rates;
- tariff and inflation control policies;
- price control policies;
- liquidity of domestic capital and lending markets;
- electricity rationing;
- tax policies, royalty and tax increases and retroactive tax claims; and
- other political, diplomatic, social and economic developments in or affecting the countries where we operate.

Inflation, and government measures to curb inflation in Latin America, may adversely affect the economies in the countries where we operate in Latin America, our business and results of operations.

Some of the countries in which we operate in Latin America have experienced, or are currently experiencing, high rates of inflation. Although inflation rates in many of these countries have been relatively low in the recent past, we cannot assure you that this trend will continue. The measures taken by the governments of these countries to control inflation have often included maintaining a tight monetary policy with high interest rates, thereby restricting the availability of credit and retarding economic growth. Inflation, measures to combat inflation and public speculation about possible additional actions have also contributed significantly to economic uncertainty in many of these countries and to heightened volatility in their securities markets. Periods of higher inflation may also slow the growth rate of local economies. Inflation is also likely to increase some of our costs and expenses, which we may not be able to fully pass on to our clients, which could adversely affect our operating margins and operating income.

We face the risk of political and economic crises, instability, terrorism, civil strife, expropriation and other risks of doing business in Latin America, which could adversely affect our business, financial condition and results of operations.

We conduct our operations primarily in Latin America. Economic and political developments in Latin America, including future economic changes or crises (such as inflation, currency devaluation or recession), government deadlock, political instability, terrorism, civil strife, changes in laws and regulations, restrictions on the repatriation of dividends or profits, expropriation or nationalization of property, restrictions on currency convertibility, volatility of the foreign exchange market and exchange controls could impact our operations or the market value of our common shares and have a material adverse effect on our business, financial condition and results of operations.

Argentina

Our business, results of operations and financial condition may be adversely affected by fluctuations in currency exchange rates (most notably between the U.S. dollar and the Argentine peso).

We conduct a substantial portion of our operations outside the United States, and our businesses may be impacted by significant fluctuations in foreign currency exchange rates. Our consolidated financial statements and those of most of our subsidiaries are presented in U.S. dollars, whereas some of our subsidiaries' operations are performed in local currencies. Therefore, the resulting exchange differences arising from the translation to our presentation currency are recognized in the finance gain or expense item or as a separate component of equity depending on the functional currency for each subsidiary. Fluctuations in exchange rates relative to the U.S. dollar could impair the comparability of our results from period to period and could have a material adverse effect on our results of operations and financial condition.

In addition, our results of operations and financial condition are particularly sensitive to changes in the Argentine peso/U.S. dollar exchange rate because a significant part of our operations are conducted in Argentina where our costs are incurred, for the most-part, in Argentine pesos, while the substantial portion of our revenues generated outside of Argentina are in U.S. dollars. Consequently, appreciation of the U.S. dollar relative to the Argentine peso, to the extent not offset by inflation in Argentina, could result in favorable variations in our operating margins and, conversely, depreciation of the U.S. dollar relative to the Argentine peso could impact our operating margins negatively.

In recent years, the Argentine peso has suffered significant devaluations against the U.S. dollar and has continued to devalue against the U.S. dollar. As a result of this economic instability, Argentina's foreign debt rating has been downgraded on multiple occasions based upon concerns regarding economic conditions and rising fears of increased inflationary pressures. This uncertainty may also adversely impact Argentina's ability to attract capital.

The increasing level of inflation in Argentina has generated pressure for further depreciation of the Argentine peso. After several years of relatively moderate variations in the nominal exchange, the Argentine peso depreciated against the U.S. dollar by 32.5% in 2013, 31.2% in 2014, 52.1% in 2015, 21.9% in 2016 and 18.4% in 2017, based on the official exchange rates published by the Argentine Central Bank.

The significant restrictions on the purchase of foreign currency beginning in late 2011 gave rise to the development of an implied rate of exchange, as reflected in the quotations of Argentine securities that trade in foreign markets, compared to the corresponding quotations in the local markets in Argentine pesos. See "— Item 4.B - Business Overview — Regulatory Overview — Foreign Exchange Controls — Argentina." Almost all foreign exchange restrictions have been lifted since December 2015 and, as a result, the gap between the official rate and the implied rate derived from securities transactions has substantially decreased compared to the previous years. However, the implied rate of exchange may increase or decrease in the future. We cannot predict future fluctuations in the Argentine peso/U.S. dollar exchange rate. Because a significant part of our operations are located in Argentina, large variations in the comparative value of the Argentine peso and the U.S. dollar may adversely affect our business.

Despite the positive effects of the depreciation of the Argentine peso on the competitiveness of certain sectors of the Argentine economy, including our business, it has also had a negative impact on the financial condition of many Argentine businesses and individuals. The devaluation of the Argentine peso has had a negative impact on the ability of certain Argentine businesses to honor their foreign currency-denominated debt, and has also led to very high inflation initially and significantly reduced real wages. The devaluation has also negatively impacted businesses whose success is dependent on domestic market demand, and adversely affected the Argentine government's ability to honor its foreign debt obligations. If the Argentine peso is significantly devalued, the Argentine economy and our business could be adversely affected.

A significant appreciation of the Argentine peso against the U.S. dollar could also adversely affect the Argentine economy as well as our business. Our results of operations are sensitive to changes in the Argentine peso/U.S. dollar exchange rate because a significant portion of our operations are conducted in Argentina where our costs are incurred, for the most-part, in Argentine pesos. In the short term, a significant appreciation of the Argentine peso against the U.S. dollar would adversely affect exports and the desire of foreign companies to purchase services from Argentina. Our business is dependent to a certain extent on maintaining our labor and other costs competitive with those of companies located in other regions around the world from which technology and IT services may be purchased by clients in the United States and Europe. We periodically evaluate the need for hedging strategies with our board of directors, including the use of such instruments to mitigate the effect of foreign exchange rate fluctuations. During the years ended December 31, 2017 and 2016, our Argentine operating subsidiaries, Sistemas Globales S.A. and IAFH Global S.A., entered into foreign exchange forward contracts to reduce their risk of exposure to fluctuations in foreign currency. We may in the future, as circumstances warrant, decide to enter into derivative transactions to hedge our exposure to the Argentine peso/U.S. dollar exchange rate. If we do not hedge such exposure or we do not do so effectively, an appreciation of the Argentine peso against the U.S. dollar may raise our costs, which would increase the prices of our services to our customers, which, in turn, could adversely affect our business, financial condition and results of operations.

Government intervention in the Argentine economy could adversely affect the economy and our results of operations or financial condition.

During recent years, the Argentine government has increased its level of intervention in the Argentine economy, including through the implementation of expropriation policies or nationalizations.

For example, in April 2012, the Argentine government provided for the nationalization of YPF S.A., the main Argentine oil company. In February 2014, the Argentine government and Repsol, from whom YPF was expropriated, announced that they had reached an agreement on the terms of the compensation payable to Repsol for the expropriation of the YPF shares, which settled the claim filed by Repsol with International Centre for Settlement of Investment Disputes (the "ICSID"). Such compensation amounted to US\$5 billion, payable in the form of Argentine sovereign bonds with various maturities.

There are other examples of government intervention. In December 2012 and August 2013, the Argentine Congress established new regulations relating to domestic capital markets. Such regulations generally provide for increased intervention in the capital markets by the government, authorizing, for example, the Argentine Securities Commission (*Comisión Nacional de Valores* or "CNV") to appoint observers with the ability to veto the decisions of the board of directors of companies admitted to the public offering regime under certain circumstances and suspend the board of directors for a period of up to 180 days. In November, 2016, the Argentine executive branch sent a bill to the Argentine Congress to reform the current Capital Markets Law No. 26,831 which, among other changes, proposes the abrogation of this power granted to the CNV and generally seeks to modernize the entire regulatory framework applicable to the Argentine capital market, incorporating current international practices to contribute to its development. The Argentine lower chamber approved the bill; however, the Argentine senate subsequently approved it with certain amendments. Consequently, the Argentine lower chamber must re-approve the bill with the amendments adopted by the senate, which has not yet occurred as of the date of this annual report.

Expropriations and other interventions by the Argentine government such as the one relating to YPF can have an adverse impact on the level of foreign investment in Argentina, the access of Argentine companies to the international capital markets and Argentina's commercial and diplomatic relations with other countries and, consequently, could adversely affect our business, financial condition and results of operations.

The impact of the latest presidential elections on the future economic and political environment of Argentina is uncertain.

Argentine presidential, congressional, municipal and state government elections were held in October 2015. Presidential elections were won by the opposing political party, led by Mauricio Macri. The president of Argentina and the Argentine Congress each have considerable power to determine governmental policies and actions that relate to the Argentine economy and, consequently, could affect our results of operations or financial condition. The new administration, in office since December 10, 2015, has announced and adopted several significant economic and policy reforms, including the following:

- *Foreign Exchange Reforms:* The current Argentine administration eliminated most foreign exchange restrictions, including certain currency controls, which were imposed by the previous administration. See "Item 4.B — Business overview — Regulatory Overview — Foreign Exchange Controls — Argentina".
- *Foreign Trade Reforms:* The current Argentine administration eliminated or reduced export duties on several agricultural products and eliminated export duties on most industrial and mining products.
- *National Institute of Statistics and Census (Instituto Nacional de Estadísticas y Censos, or "INDEC") Information Reforms:* On January 8, 2016, based on the determination that the INDEC has failed to produce reliable statistical information, particularly with respect to the *Consumer Price Index* ("CPI"), *Gross Domestic Product* ("GDP"), poverty and foreign trade data, the current Argentine administration declared the national statistical system and the INDEC in a state of administrative emergency through December 31, 2016. As a result, the INDEC ceased publishing certain key statistical data until a rearrangement of its technical and administrative structure is finalized. In June 2016, the INDEC resumed its publication of the CPI. As of the date of this annual report, the INDEC has begun publishing certain revised data, including GDP, foreign trade and balance of payment statistics, although it remains in a state of administrative emergency. On June 29, 2017, INDEC published revised GDP data for 2004 through 2015.

- *Financial Policy.* The current Argentine administration has settled the majority of outstanding claims with holdout creditors and has issued sovereign bonds in the international capital markets. See "—Argentina's ability to obtain financing from international markets may be limited, which may in turn impair its ability to implement reforms and public policies and foster economic growth and could impact the ability of Argentine companies to obtain financing outside of Argentina."
- *Fiscal policy.* The current Argentine administration took steps to anchor fiscal accounts, reduce the primary fiscal deficit, eliminate subsidies, reorganize certain expenditures and generate increased revenue through a tax amnesty program. The fiscal deficit for 2017 was approximately 3.9% of GDP, 0.3% lower than expected; reducing fiscal deficit is one of the most important objectives for the administration in the coming years.
- *Correction of monetary imbalances.* The Argentine administration has adopted an inflation targeting regime in parallel with the floating exchange rate regime and set inflation targets for the next four years. The Central Bank has increased stabilization efforts to reduce excess monetary imbalances and raised peso interest rates to offset inflationary pressure. The Central Bank also announced inflation target ranges for 2018 (8% to 12%); and 2019 (3.5% to 6.5%).
- *Corporate Criminal Liability Law (Ley de Responsabilidad Penal Empresaria).* On November 8, 2017, the Argentine Congress passed Law No. 27,401 which provides for the criminal liability of corporate entities upon their execution of certain dishonest activities, directly or indirectly, with their intervention or on their behalf, interest or benefit. Companies found liable for committing crimes under the terms of this law may be subject to various sanctions, including, among others, fines ranging from two to five times the "undue" benefit that was obtained or that could have been obtained through the actions incurred in breach of this regulation. Additionally, Companies found liable may forfeit assets obtained through the illegal actions. The law became effective 90 days after its promulgation by the President of Argentina and publication in the Argentine Official Gazette, which occurred on December 1, 2017.
- *Amendment to Labor Risks Law.* On February 15, 2017, the Argentine Congress passed Law 27,348, which amends and complements Labor Risks Law No. 24,557 (the "Labor Risks Law"), and aims to reduce litigation arising from accidents at work. Under the new regime, prior to filing a lawsuit resulting from work-related accidents, affected workers must go through jurisdictional medical commissions, in order to assess the impact of any accident and to assign benefits provided for under the Labor Risks Law.
- *Social Security Reform Law.* On December 28, 2017, the Argentine Congress passed Argentine Law No. 27,426, which provides for modifications to the method of calculating social security benefits. In most cases, minimum benefits will equal 82% of the minimum wage. The law also grants employees the option to maintain their employment status until the age of 70, though employees may choose to retire earlier. Male employees may retire at 65 and female employees may retire at 60.
- *Labor Reform Draft Bill.* The Argentine administration recently announced a draft bill to reform the labor law which was sent to the Argentine Congress for debate on November 21, 2017 and is currently pending review by both chambers. The draft bill aims to improve competitiveness and efficiency of various sectors, increase employment, attract investment and reduce labor costs.
- *Tax Regime.* On December 29, 2017, the Argentine Congress passed Law No. 27,430. The law provides for a series of tax and social security reforms intended to eliminate certain existing complexities and inefficiencies of the Argentine tax regime, reduce tax evasion, increase the coverage of income tax as applied to individuals and encourage investment while sustaining the Argentine administration's medium- and long-term efforts aimed at restoring fiscal balance. The reforms introduced with this law are part of the agenda of the Argentine administration to improve the competitiveness of the Argentine economy (including the reduction of the fiscal deficit), to increase employment and diminish poverty on a sustainable basis.

We can offer no assurances or predictions as to the impact that these policies or any future policies implemented by the current Argentine administration will have on the Argentine economy as a whole or on our business, results of operation or financial condition, in particular. Moreover, there is uncertainty as to which other measures announced during the presidential campaign will be actually implemented and when. Some of the measures proposed by the current Argentine administration may also generate political and social opposition, which may in turn prevent the new government from adopting such measures as proposed. In addition, political parties opposed to the new government retained a majority of the seats in the Argentine Congress in the recent elections, which will require the new government to seek political support from the opposition for its economic proposals and creates further uncertainty in the ability of the new government to pass these or other measures.

Our results of operations may be adversely affected by high and possibly increasing inflation in Argentina.

In the past, inflation has materially undermined the Argentine economy and the government's ability to create conditions that would permit stable growth. High inflation may also undermine Argentina's foreign competitiveness in international markets and adversely affect economic activity and employment, as well as our business and results of operation. In particular, the margin on our services is impacted by the increase in our costs in providing those services, which is influenced by wage inflation in Argentina, as well as other factors.

According to data published by the INDEC, the CPI increased 23.9% in 2014 and 11.9% as of October 2015 (for the first nine months of year 2015). In November 2015, the INDEC suspended the publication of the CPI. According to the publicly available information based on data from the Province of San Luis, the CPI grew by 31.6% in 2015 and 31.4% in 2016. According to the publicly available information based on data from the City of Buenos Aires, the CPI grew by 29.6% in 2015 and 41.0% in 2016. After implementing certain methodological reforms and adjusting certain macroeconomic statistics based on these reforms, in June 2016 the INDEC resumed its publication of the CPI. According to the INDEC, Argentina's rate of inflation for May, June, July, August, September, October, November and December 2016 was 4.2%, 3.2%, 2.2%, 0.2%, 1.3%, 2.6%, 1.8% and 1.4%, respectively, and 24.8% in 2017, based on the CPI. Private estimates, on average, refer to annual rates of inflation substantially in excess of those published by the INDEC. For example, opposition lawmakers in Argentina reported an inflation rate of 24.6%, 41.0% and 25.0% for the years ended December 31, 2017, 2016 and 2015, respectively.

Uncertainty surrounding future inflation rates may have an adverse impact for Argentina in the long-term credit market.

The INDEC implemented certain methodological reforms and adjusted certain indexes based on these reforms. The lack of accuracy in the INDEC's indexes could result in a further decrease in confidence in Argentina's economy, which could, in turn, have an adverse effect on our ability to access the international credit markets at market rates to finance our operations and growth. See "—The credibility of several Argentine economic indexes has been called into question, which may lead to a lack of confidence in the Argentine economy and may in turn limit our ability to access the credit and capital markets."

Inflation rates could escalate, and there is uncertainty regarding the effects that the measures taken, or that may be taken, by the Argentine government to control inflation could have. If inflation remains high or continues to increase, Argentina's economy may be negatively impacted and our results of operations could be materially affected.

The credibility of several Argentine economic indexes has been called into question, which may lead to a lack of confidence in the Argentine economy and may in turn limit our ability to access the credit and capital markets.

Since 2007, the inflation index has been extensively discussed in the Argentine economy. The intervention of the former Argentine government in the INDEC in 2007 and the change in the way the inflation index was measured have resulted in disagreements between the former Argentine government and private consultants as to the actual annual inflation rate. The former Argentine government imposed fines on private consultants reporting inflation rates higher than the INDEC data. As a result, private consultants typically shared their data with Argentine lawmakers who opposed the previous government, who released such data from time to time. This could result in a further decrease in confidence in Argentina's economy.

Reports published by the International Monetary Fund ("IMF") in the past state that the IMF staff uses alternative measures of inflation to monitor macroeconomic conditions, including data produced by private sources, which have shown considerably higher inflation rates than those published by the INDEC since 2007. The IMF has also faulted Argentina for not taking sufficient remedial measures to address the quality of its official data, including inflation and GDP data, as required under the Articles of Agreement of the IMF.

In February 2014, the INDEC released a new inflation index, known as National Urban Consumer Price Index (*Índice de Precios al Consumidor Nacional Urbano*) that measured the prices of goods across the country and replaces the previous index that only measured inflation in the urban sprawl of the City of Buenos Aires. Pursuant to these calculations, such new consumer price index rose 23.9% in 2014 and 11.9% during the ten-month period ended October 31, 2015. Even though the new methodology brought inflation statistics closer to those estimated by private sources, material differences between recent official inflation data and private estimates remained during 2015.

However, during December 2015 and January 2016, the new government declared the national statistical system and the INDEC to be in a state of administrative emergency through December 31, 2016. Accordingly, the new head of the INDEC announced the temporary suspension of the publication of official data of prices, poverty, unemployment and GDP until the completion of a full review of INDEC's policies. Shortly thereafter, the new administration released an alternative CPI index based on data from the City of Buenos Aires and the Province of San Luis. The INDEC resumed its publication of the CPI in June 2016, after implementing certain methodological reforms and adjusting certain macroeconomic statistics on the basis of those reforms. The INDEC also revised GDP data from 2004 through 2015. Among other adjustments, in calculating GDP for 2004, the INDEC made changes to the composition of GDP that resulted in a negative adjustment of approximately 12% for that year. To calculate real GDP for subsequent years based on the revised 2004 GDP, the INDEC used deflators that are consistent with its revised methodology to calculate inflation. By previously understating inflation, the INDEC had overstated economic growth in real terms. The adjustments made by the INDEC lead to a determination of real GDP growth of 48.6% for the period of 2004 to 2015, as opposed to 65% growth in real terms for the same period resulting from the information used prior to June 2016. As a consequence of these reforms, on November 9, 2016, the Executive Board of the IMF lifted its censure on Argentina, noting that Argentina had resumed the publication of data in a manner consistent with its obligations under the Articles of Agreement of the IMF. Still, uncertainty remains as to whether official data and measurement procedures sufficiently reflect inflation in the country, and what effect these reforms will have on the Argentine economy.

As of the date of this annual report, the impact that these measures and any future measures taken by the new administration with respect to the INDEC will have on the Argentine economy and investors' perception of the country cannot be predicted.

Argentina's ability to obtain financing from international markets may be limited, which may in turn impair its ability to implement reforms and public policies and foster economic growth and could impact the ability of Argentine companies to obtain financing outside of Argentina.

Argentina's 2001 sovereign default and its failure to fully restructure its sovereign debt and negotiate with the holdout creditors has limited and may continue to limit Argentina's ability to access international financing. In 2005, Argentina completed the restructuring of a substantial portion of its indebtedness and settled all of its debt with the IMF. Additionally, in June 2010, Argentina completed the restructuring of a significant portion of the defaulted bonds that were not exchanged in the 2005 restructuring. As a result of debt exchanges carried out in 2005 and 2010, Argentina restructured approximately 93% of its defaulted debt that was eligible for restructuring. However, holdout bondholders that declined to participate in the restructuring, filed lawsuits against Argentina in several countries, including the United States. Since late 2012, rulings from courts in the United States favorable to holdout bondholders aggravated investors' concerns regarding investment in the country.

In November 2012, the United States District Court for the Southern District of New York *in re: "NML Capital, Ltd. v. Republic of Argentina"*, ratified and amended the injunction order issued in February 2012, which held that Argentina violated the *pari passu* clause with respect to the bondholders that had not participated in the sovereign debt restructuring in 2005 and 2010. Pursuant to such ruling, Argentina was required to pay 100% of the amounts due to the plaintiffs, simultaneously with the payment of the amounts due on the next maturity date of the bonds to the bondholders who participated in the debt restructuring. In June 2014, the U.S. Supreme Court denied Argentina's petition for a writ of *certiorari* of the U.S. Second Circuit Court of Appeals' ruling affirming the U.S. District Court's judgment. Later that month, the U.S. District Court ruled that funds deposited with the Bank of New York Mellon, the trustee which manages bond payments for Argentina's bonds issued in the 2005 and 2010 debt restructuring, should not be delivered to the holders of restructured debt in the absence of a prior agreement with the holdout bondholders (the plaintiffs in this case). In June 2015, the U.S. District Court granted partial summary judgment to a group of "me-too" plaintiffs in 36 separate lawsuits, finding that, consistent with the previous ruling of such court, Argentina violated the *pari passu* clause in the bonds issued to the "me-too" bondholders.

In February 2016, the current Argentine administration entered into settlement agreements with certain holdout bondholders to settle these claims, which were subject to the approval of the Argentine Congress and the lifting of the *pari passu* injunctions. In March 2016, after the U.S. District Court agreed to vacate the *pari passu* injunctions subject to certain conditions, the Argentine Congress ratified these settlement agreements through Law No. 27,249 and repealed the provisions of the so called Lock Law No. 26,017 and the Sovereign Payment Law No. 26,984, which prohibited Argentina from offering holdout bondholders more favorable terms than those offered in the 2005 and 2010 debt restructuring. The Argentine government has reached settlement agreements with holders of a significant portion of the defaulted bonds and has repaid the majority of the holdout creditors with the proceeds of a US\$16.5 billion international offering of 3-year, 5-year, 10-year and 30-year bonds on April 22, 2016. Although the size of the claims involved has decreased significantly, litigation initiated by bondholders that have not accepted Argentina's settlement offer continues in several jurisdictions.

Additionally, foreign shareholders of several Argentine companies have filed claims with the ICSID alleging that the emergency measures adopted by the Argentine government since the crisis in 2001 and 2002 differ from the just and equal treatment standards set forth in several bilateral investment treaties to which Argentina is a party. ICSID has ruled against Argentina with respect to many of these claims.

Litigation involving holdout creditors, claims with ICSID and other claims against the Argentine Government, resulted and may result in material judgments against the government, lead to attachments of or injunctions relating to Argentina's assets, or could cause Argentina to default under its other obligations, and such events may prevent Argentina from obtaining favorable terms or interest rates when accessing international capital markets or from accessing international financing at all. Our ability to obtain U.S. dollar-denominated financing has been adversely impacted by these factors. During 2014, 2015, 2016 and 2017, it became increasingly difficult for Argentine companies to obtain financing in U.S. dollars, and loans in the local currency carried significantly higher interest rates. The termination of the injunctions issued by the United States courts preventing bondholders from receiving their interest payments on the bonds issued pursuant to the 2005 and 2010 exchange offers, and the related subsequent events, have paved the way for the Argentine Government to regain access to the international capital markets. Nonetheless, Argentina's ability to obtain international or multilateral private financing or direct foreign investment may be limited, which may in turn impair its ability to implement reforms and public policies to foster economic growth. In addition, Argentina's ongoing litigation with the remaining holdout creditors as well as ICSID and other claims against the Argentine Government, or any future defaults of its financial obligations, may prevent us from accessing the international capital markets or cause the terms of any such transactions less favorable than those provided to companies in other countries in the region, potentially impacting our financial condition.

Lack of access to international or domestic financial markets could affect the projected capital expenditures for our operations in Argentina, which, in turn, may have an adverse effect on the results of our operations and on the market price of our common shares.

A continued decline in the global prices of Argentina's main commodity exports could have an adverse effect on Argentina's economic growth.

High commodity prices have contributed significantly to the increase in Argentine exports since 2002 as well as in governmental revenues from export taxes. However, relying on the export of certain commodities, such as soy, has made the Argentine economy more vulnerable to fluctuations in the prices of commodities. Since the beginning of 2015, international commodity prices of Argentina's primary commodity exports have declined, which has had an adverse effect on Argentina's economic growth. If international commodity prices continue to decline, the Argentine economy could be adversely affected. In addition, adverse weather conditions can affect the production of commodities by the agricultural sector, which account for a significant portion of Argentina's export revenues.

These circumstances would have a negative impact on the levels of government revenues, available foreign exchange and the government's ability to service its sovereign debt, and could either generate recessionary or inflationary pressures, depending on the government's reaction. Either of these results would adversely impact Argentina's economic growth and, therefore, our financial condition and results of operations.

Argentine exchange controls and restrictions on capital inflows and outflows have limited, and may continue to limit, the availability of international credit and access to capital markets, which could have a material adverse effect on our financial condition and business.

In 2001 and 2002, Argentina imposed exchange controls and transfer restrictions substantially limiting the ability of enterprises to retain or obtain foreign currency or make payments abroad. Although some of these restrictions were subsequently eased, in June 2005, the Argentine government issued Decree No. 616/2005, which established new controls on capital inflows that could result in reduced availability of international credit, including the requirement, subject to certain exceptions, that 30% of all funds remitted to Argentina remain deposited in a domestic financial institution for 365 days in a non-interest bearing account. In addition, since the second half of 2011, the Argentine government increased certain controls on the incurrence of foreign currency-denominated indebtedness, the acquisition of foreign currency and foreign assets by local residents. For example, the Argentine Central Bank adopted regulations that (i) shortened the period for a borrower to convert foreign currency-denominated indebtedness into Argentine pesos, (ii) shortened a borrower's window of access to the local foreign exchange market in connection with a prepayment of scheduled interest payments in respect of foreign currency-denominated indebtedness and (iii) suspended the ability of local residents to access the local exchange market for the acquisition of foreign currency. See *"Information on the Company — Business Overview — Foreign Exchange Controls"*.

Notwithstanding the measures adopted by the current Argentine administration since December 2015, which lifted virtually all exchange and capital controls, the Argentine government may impose or increase exchange controls or transfer restrictions in the future in response to capital flight or a significant depreciation of the Argentine peso. Additional controls could have a negative effect on the ability of Argentine entities to access the international credit or capital markets, the Argentine economy and our financial condition and business.

The Argentine government may order salary increases to be paid to employees in the private sector, which could increase our operating costs and adversely affect our results of operations.

In the past, the Argentine government has passed laws, regulations and decrees requiring companies in the private sector to increase wages and provide specified benefits to employees, and may do so again in the future. Argentine employers, both in the public and private sectors, have experienced significant pressure from their employees and labor organizations to increase wages and to provide additional employee benefits. Due to the high levels of inflation, employees and labor organizations are demanding significant wage increases. The Argentine government increased the minimum salary to 3,300 Argentine pesos in August 2013, to 3,600 Argentine pesos in January 2014, to 4,400 Argentine pesos in September 2014, to 4,716 Argentine pesos in January 2015, to 5,588 Argentine pesos in August 2015, to 6,060 Argentine pesos in January 2016, to 6,810 Argentine pesos in June 2016, to 7,560 Argentine pesos in September 2016, and to 8,860 Argentine pesos in July 2017. The Argentine government confirmed that the minimum salary will be increased to 10,000 Argentine pesos by July 2018. Recently, the INDEC published data regarding the evolution of salaries in the private and public sectors, which reflects approximately 26.7% and 25.26% salary increase in the private and public sectors, respectively, for the period from January 2017 through December 2017.

Due to high levels of inflation and full employment in the high tech industry, we expect to raise salaries in line with the market. During the year ended December 31, 2017, labor unions agreed with employers' associations on annual salary increases between 20% and 25%. If future salary increases in the Argentine peso exceed the pace of the devaluation of the Argentine peso, such salary increases could have a material and adverse effect on our expenses and business, results of operations and financial condition and, thus, on the trading prices for our common shares.

Our operating cash flows may be adversely affected if there is a delay in obtaining reimbursement of value-added tax credits from AFIP.

In 2017, our Argentine operating subsidiary IAFH Global S.A. recognized an aggregate of \$1.5 million in value-added tax credits. These tax credits may be monetized by way of cash reimbursement from AFIP. Obtaining this cash reimbursement requires submission of a written request to AFIP, which is subject to its approval. In the event that AFIP delays its approval of the request for reimbursement of these value-added tax credits, our ability to monetize the value of those credits would be delayed, which could adversely affect our cash flows.

Transactions with bonds acquired as proceeds from the capitalization of our Argentine subsidiaries increase our exposure to fluctuations in the value of the Argentine peso, which, in turn, could have an adverse effect on our operations and the market price of our common shares. The imposition in the future of regulations on proceeds collected outside Argentina for capitalization of our Argentine subsidiaries could also have an adverse effect on us.

During the year ended December 31, 2015, our Argentine subsidiaries, through cash received from capital contributions, acquired Argentine sovereign bonds, including BODEN and Bonos Argentinos ("BONAR"), in the U.S. market denominated in U.S. dollars.

After acquiring these bonds and after holding them for a certain period of time, our Argentine subsidiaries sold those bonds in the Argentine market. The fair value of these bonds in the Argentine market (in Argentine pesos) during the year ended December 31, 2015 was higher than its quoted price in the U.S. market (in U.S. dollars) converted at the official exchange rate prevailing in Argentina, which is the rate used to convert these transactions in foreign currency into our Argentine subsidiaries' functional currency, thus, as a result, we recognized a gain when remeasuring the fair value of the bonds in Argentine pesos into U.S. dollars at the official exchange rate prevailing in Argentina.

During the years ended December 31, 2017 and 2016, we did not engage in the above described transactions. Although, as of the date of this annual report, we are not obliged to settle proceeds received from capitalizations abroad through the FX Market, if in the future we decide to make additional capital contributions to our Argentine subsidiaries and acquire bonds, we cannot assure you that the quoted price of the BODEN and/or BONAR in Argentine pesos in the Argentine markets will be higher than the quoted price in the U.S. debt markets in U.S. dollars converted at the official exchange rate prevailing in Argentina or that the Argentine government will not require Argentine companies to repatriate such proceeds through the FX Market, or make any other legislative, judicial, or administrative changes or interpretations, any of which could have a material adverse effect on our business, results of operations and financial condition. See note 3.17 to our audited consolidated financial statements, "Operating and Financial Review and Prospects — Results of Operations — 2016 Compared to 2015" and "Certain Income Statement Line Items — Gain on Transaction with Bonds."

The imposition in the future of restrictions on transfers of foreign currency and the repatriation of capital from Argentina may impair our ability to receive dividends and distributions from, and the proceeds of any sale of, our assets in Argentina.

Beginning in December 2001, the Argentine government implemented a number of monetary and foreign exchange control measures that included restrictions on the free disposition of funds deposited with banks and on the transfer of funds abroad without prior approval by the Argentine Central Bank, most of which have been lifted. See "Information on the Company — Business Overview — Foreign Exchange Controls".

Although the transfer of funds abroad by local companies in order to pay annual dividends only to foreign shareholders does not require formal approval by the Argentine Central Bank, in the past, the decrease in availability of U.S. dollars in Argentina has led the Argentine government to impose informal restrictions on certain local companies and individuals for purchasing foreign currency for the purpose of making payments abroad, such as dividends, capital reductions, and payment for importation of goods and services.

Although the current Argentine administration has lifted most of the foreign exchange restrictions providing greater flexibility and access to the foreign exchange market, the imposition of future exchange controls could impair or prevent the conversion of anticipated dividends, distributions, or the proceeds from any sale of equity holdings in Argentina, as the case may be, from Argentine pesos into U.S. dollars and the remittance of the U.S. dollars abroad. These restrictions and controls could interfere with the ability of our Argentine subsidiaries to make distributions in U.S. dollars to us and thus our ability to pay dividends in the future. The domestic revenues of our Argentine subsidiaries (excluding intercompany revenues to other Globant subsidiaries, which are eliminated in consolidation) were \$13.3 million in 2017, \$10.2 million in 2016 and \$7.6 million in 2015, representing 3.2%, 3.2% and 3.0% of our annual consolidated revenues, respectively.

The Argentine government could adopt restrictive measures in the future. If that were the case, a foreign shareholder, such as ourselves, may be prevented from converting the Argentine pesos it receives in Argentina into U.S. dollars. If the exchange rate fluctuates significantly during a time when we cannot convert the foreign currency, we may lose some or all of the value of the dividend distribution or sale proceeds.

These restrictions and requirements could adversely affect our financial condition and the results of our operations, or the market price of our common shares.

The imposition or re-imposition in the future of regulations on proceeds from the export of services collected outside of Argentina for services rendered to non-Argentine residents or of export duties and controls could have an adverse effect on us.

In December 30, 2016, by means of Communication "A" 6137 (later replaced by Communication "A" 6244, which became effective as of July 1, 2017), the Argentine Central Bank eliminated the requirement to repatriate and exchange funds obtained from the exportation of services into pesos through the FX Market. Consequently, we are not required to repatriate or exchange the foreign currency proceeds received from services rendered to non-Argentine residents outside of Argentina (which are proceeds from our exportations held in off-shore accounts, such as the collections of services fees in U.S. dollars). Additionally, the applicable regulations do not prohibit or regulate the receipt of in-kind payments by an exporter.

However, in the past, Argentine law (including Communication "A" 5264 of the Argentine Central Bank, as amended), required Argentine residents to transfer the foreign currency proceeds received for services rendered to non-Argentine residents into a local account with a domestic financial institution and to convert those proceeds into Argentine pesos through the FX Market.

We cannot assure you that the Argentine government will not in the future require again Argentine residents to convert the foreign currency proceeds received for services rendered to non-Argentine residents into Argentine pesos through the FX Market, restrict exporters from receiving in-kind payments, require them to repatriate those payments received through the FX Market, or make any other legislative, judicial, or administrative changes or interpretations, any of which could have a material adverse effect on our business, results of operations and financial condition.

Changes in Argentine tax laws may adversely affect the results of our operations, financial condition and cash flows.

In 2012, the Argentine government terminated its treaties with the Republic of Spain for the avoidance of double taxation. As a result, the exemption from personal assets tax that was available pursuant to such treaty for equity interests in local companies owned by Spanish residents no longer applies. The new double taxation treaty with Spain, which was adopted on December 23, 2013 and applied retroactively from January 1, 2013, does not include a similar exemption. Under the new treaty, the tax applicable on dividends distributed by our Argentine subsidiaries to the Spain Holdco is limited to 10% of the gross amount of dividends distributed, and income tax withholding on financial interest is limited to 12%.

Argentine companies are required to pay the personal assets tax corresponding to Argentine resident individuals, foreign individuals and foreign entities for holding equity interests in such companies as of December 31 of each year. The applicable tax rate is 0.25% and the tax is levied on the equity stated in the latest financial statements. Although the new double taxation treaty with Spain does not include an exemption on such tax, Law No. 27,260, which was enacted by the Argentine government on July 21, 2016, introduced benefits for compliant taxpayers that include an exemption from the personal assets tax until December 31, 2019. Our Argentine subsidiaries are eligible for the exemption.

On December 29, 2017, the Argentine government enacted Law No. 27,430, which reduced the corporate income tax rate to 30% for fiscal years beginning on or after January 1, 2018 and 25% for fiscal years beginning on or after January 1, 2019. The distribution of dividends is now subject to a 7% for fiscal years beginning on or after January 1, 2018 and 13% for fiscal years beginning on or after January 1, 2019, respectively. The Equalization Tax, which levied distributions made out of previously untaxed income, was eliminated.

Exposure to multiple provincial and municipal legislation and regulations could adversely affect our business or results of operations.

Argentina is a federal country with 23 provinces and one autonomous city (City of Buenos Aires), each of which, under the Argentine national constitution, has full power to enact legislation concerning taxes and other matters. Likewise, within each province, municipal governments have broad powers to regulate such matters. Due to the fact that our delivery centers are located in multiple provinces, we are also subject to multiple provincial and municipal legislation and regulations. Although we have not experienced any material adverse effects from this, future developments in provincial and municipal legislation concerning taxes, provincial regulations or other matters may adversely affect our business or results of operations.

Risks Related to Ownership of Our Common Shares

The price of our common shares may be highly volatile.

The market price of our common shares may be volatile and may be influenced by many factors, some of which are beyond our control, including:

- the failure of financial analysts to cover our common shares or changes in financial estimates by analysts;
- actual or anticipated variations in our operating results;
- changes in financial estimates by financial analysts, or any failure by us to meet or exceed any of these estimates, or changes in the recommendations of any financial analysts that elect to follow our common shares or the shares of our competitors;
- announcements by us or our competitors of significant contracts or acquisitions;
- future sales of our common shares; and
- investor perceptions of us and the industries in which we operate.

In addition, the equity markets in general have experienced substantial price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of particular companies affected. These broad market and industry factors may materially harm the market price of our common shares, regardless of our operating performance. In the past, following periods of volatility in the market price of certain companies' securities, securities class action litigation has been instituted against these companies. This litigation, if instituted against us, could adversely affect our financial condition or results of operations.

Holders of our common shares may experience losses due to increased volatility in the U.S. capital markets.

The U.S. capital markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance or results of operations of those companies. These broad market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, as well as volatility in international capital markets, may cause the market price of our common shares to decline.

In addition, downgrades to the U.S. government's sovereign credit rating by any rating agency, as well as negative changes to the perceived creditworthiness of U.S. government-related obligations, could have a material adverse impact on financial markets and economic conditions in the United States and worldwide. Any volatility in the capital markets in the United States or in other developed countries, whether resulting from a downgrade of the sovereign credit rating of U.S. debt obligations or otherwise, may have an adverse effect on the price of our common shares.

We may be classified by the Internal Revenue Service as a "passive foreign investment company" (a "PFIC"), which may result in adverse tax consequences for U.S. investors.

We believe that we will not be a PFIC for U.S. federal income tax purposes for our current taxable year and do not expect to become one in the foreseeable future. However, because PFIC status depends upon the composition of our income and assets and the market value of our assets (including, among others, less than 25% owned equity investments) from time to time, there can be no assurance that we will not be considered a PFIC for any taxable year. Because we have valued goodwill based on the market value of our equity for purposes of taxation, a decrease in the price of our common shares may also result in us becoming a PFIC. The composition of our income and our assets will also be affected by how, and how quickly, we spend the cash. Under circumstances where the cash is not deployed for active purposes, our risk of becoming a PFIC may increase. If we were treated as a PFIC for any taxable year during which a U.S. investor held common shares, certain adverse tax consequences could apply to such U.S. investor. See "Additional Information — Taxation — U.S. Federal Income Tax Considerations — Passive foreign investment company rules."

We may need additional capital and we may not be able to obtain it.

We believe that our existing cash and cash equivalents and cash flows from operations, including the cash available under our revolving line of credit, will be sufficient to meet our anticipated cash needs for at least the next 12 months. We may, however, require additional cash resources due to changed business conditions or other future developments, including any investments or acquisitions we may decide to pursue. If these resources are insufficient to satisfy our cash requirements, we may seek to sell additional equity or debt securities or obtain another credit facility or expand the existing one. The sale of additional equity securities could result in dilution to our shareholders. The incurrence of indebtedness would result in increased debt service obligations and could require us to agree to additional operating and financing covenants that would restrict our operations.

Our ability to obtain additional capital on acceptable terms is subject to a variety of uncertainties, including:

- investors' perception of, and demand for, securities of technology services companies;
- conditions of the U.S. capital markets and other capital markets in which we may seek to raise funds;
- our future results of operations and financial condition;
- government regulation of foreign investment in the United States, Europe, and Latin America; and
- global economic, political and other conditions in jurisdictions in which we do business.

Concentration of ownership among our existing executive officers, directors and principal shareholders may prevent new investors from influencing significant corporate decisions or adversely affect the trading price of our common shares.

As of March 26, 2018, our directors and executive officers, entities affiliated with them and greater than 5% shareholders, beneficially own approximately 53.38% of our outstanding common shares, of which 1.37% represents common shares subject to options that currently are exercisable or will be exercisable within 60 days of March 26, 2018 as well as common shares issuable upon settlement of restricted stock units that have vested or will vest within 60 days of March 26, 2018. As a result, these shareholders continue to have substantial control over us and be able to exercise significant influence over all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions, and will have significant influence over our management and policies. This concentration of influence could be disadvantageous to other shareholders with interests different from those of our officers, directors and principal shareholders. For example, our officers, directors and principal shareholders could delay or prevent an acquisition or merger even if the transaction would benefit other shareholders. In addition, this significant concentration of share ownership may adversely affect the trading price of our common shares because investors often perceive disadvantages in owning shares in companies with principal shareholders.

Our business and results of operations may be adversely affected by the increased strain on our resources from complying with the reporting, disclosure, and other requirements applicable to public companies in the United States and in Luxembourg.

Compliance with existing, new and changing corporate governance and public disclosure requirements adds uncertainty to our compliance policies and increases our costs of compliance. Changing laws, regulations and standards include those relating to accounting, corporate governance and public disclosure; these include but are not limited to the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Sarbanes-Oxley Act of 2002, new SEC regulations and NYSE listing guidelines that result out of the NYSE listing, and the Market Abuse Regulation, the Transparency Law and particular annual financial and non-financial reporting rules that apply to so-called public interest entities and that result out of the LuxSE listing of our shares. These laws, regulations and guidelines may lack specificity and are subject to varying interpretations. Their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. In particular, our efforts to comply with certain sections of Section 404 of the Sarbanes-Oxley Act of 2002 ("Section 404") and the related regulations regarding required assessment of internal controls over financial reporting and our external auditor's audit of that assessment requires the commitment of significant financial and managerial resources. Testing and maintaining internal controls can divert our management's attention from other matters that are important to the operation of our business. We also expect the regulations to increase our legal and financial compliance costs, make it more difficult to attract and retain qualified officers and members of our board of directors, particularly to serve on our audit committee, and make some activities more difficult, time consuming and costly.

Existing, new and changing corporate governance and public disclosure requirements could result in continuing uncertainty regarding compliance matters and higher costs of compliance as a result of ongoing revisions to such governance standards. Our efforts to comply with evolving laws, regulations and standards have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities. In addition, new laws, regulations and standards regarding corporate governance may make it more difficult for our company to obtain director and officer liability insurance. Further, our board members and senior management could face an increased risk of personal liability in connection with their performance of duties. As a result, we may face difficulties attracting and retaining qualified board members and senior management, which could harm our business. If we fail to comply with new or changed laws or regulations and standards differ, our business and reputation may be harmed.

Failure to establish and maintain effective internal controls in accordance with Section 404 could have a material adverse effect on our business and common share price.

As a public company, we are required to document and test our internal control procedures in order to satisfy the requirements of Section 404, which will require management assessments and certifications of the effectiveness of our internal control over financial reporting. During the course of our testing, we may identify deficiencies that we may not be able to remedy in time to meet our deadline for compliance with Section 404. We may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404. In addition, our independent registered public accounting firm is required to report on the effectiveness of our internal control over financial reporting but may not be able or willing to issue an unqualified report. If we conclude that our internal control over financial reporting is not effective, we cannot be certain as to the timing of remediation actions and testing or their effect on our operations because there is presently no precedent available by which to measure compliance adequacy.

If we are unable to conclude that we have effective internal control over financial reporting, our independent auditors are unable to provide us with an unqualified report as required by Section 404, or we are required to restate our financial statements, we may fail to meet our public reporting obligations and investors could lose confidence in our reported financial information, which could have a negative effect on the trading price of our common shares.

Our exemption as a "foreign private issuer" from certain rules under the U.S. securities laws may result in less information about us being available to investors than for U.S. companies, which may result in our common shares being less attractive to investors.

As a "foreign private issuer" in the United States, we are exempt from certain rules under the U.S. securities laws and are permitted to file less information with the SEC than U.S. companies. As a "foreign private issuer," we are exempt from certain rules under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), that impose certain disclosure obligations and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, our officers, directors and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of our common shares. Moreover, we are not required to file periodic reports and financial statements with the SEC as frequently or as promptly as companies that are not foreign private issuers whose securities are registered under the Exchange Act. In addition, we are not required to comply with Regulation FD, which restricts the selective disclosure of material information. As a result, our shareholders may not have access to information they may deem important, which may result in our common shares being less attractive to investors.

We do not plan to declare dividends, and our ability to do so will be affected by restrictions under Luxembourg law.

We have not declared dividends in the past and do not anticipate paying any dividends on our common shares in the foreseeable future. In addition, both our articles of association and the Luxembourg law of August 10, 1915 on commercial companies as amended from time to time (*loi du 10 août 1915 sur les sociétés commerciales telle que modifiée*) ("Luxembourg Corporate Law") require a general meeting of shareholders to approve any dividend distribution except as set forth below.

Our ability to declare dividends under Luxembourg law is subject to the availability of distributable earnings or available reserves, including share premium. Moreover, if we declare dividends in the future, we may not be able to pay them more frequently than annually. As permitted by Luxembourg Corporate Law, our articles of association authorize the declaration of dividends more frequently than annually by our board of directors in the form of interim dividends so long as the amount of such interim dividends does not exceed total net income made since the end of the last financial year for which the standalone annual accounts have been approved, plus any net income carried forward and sums drawn from reserves available for this purpose, less the aggregate of the prior year's accumulated losses, the amounts to be set aside for the reserves required by law or by our articles of association for the prior year, and the estimated tax due on such earnings.

We depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial obligations and to make dividend payments, which they may not be able to do.

Our subsidiaries conduct all of our operations. We have no relevant assets other than the equity interests in our subsidiaries. As a result, our ability to make dividend payments depends on our subsidiaries and their ability to distribute funds to us. The ability of a subsidiary to make these distributions could be affected by covenants in our or their financing agreements or by the law of their respective jurisdictions of incorporation. If we are unable to obtain funds from our subsidiaries, we will be unable to distribute dividends. We do not intend to seek to obtain funds from other sources to pay dividends. See "— Risks Related to Operating in Latin America and Argentina — Argentina — The imposition in the future of restrictions on transfers of foreign currency and the repatriation of capital from Argentina may impair our ability to receive dividends and distributions from, and the proceeds of any sale of, our assets in Argentina."

Our shareholders may have more difficulty protecting their interests than they would as shareholders of a U.S. corporation, which could adversely impact trading in our common shares and our ability to conduct equity financings.

Our corporate affairs are governed by our articles of association and the laws of Luxembourg, including the laws governing joint stock companies. The rights of our shareholders and the responsibilities of our directors and officers under Luxembourg law are different from those applicable to a corporation incorporated in the United States. There may be less publicly available information about us than is regularly published by or about U.S. issuers. In addition, Luxembourg law governing the securities of Luxembourg companies may not be as extensive as those in effect in the United States, and Luxembourg law and regulations in respect of corporate governance matters might not be as protective of minority shareholders as state corporation laws in the United States. Therefore, our shareholders may have more difficulty in protecting their interests in connection with actions taken by our directors and officers or our principal shareholders than they would as shareholders of a corporation incorporated in the United States.

Neither our articles of association nor Luxembourg law provides for appraisal rights for dissenting shareholders in certain extraordinary corporate transactions that may otherwise be available to shareholders under certain U.S. state laws. As a result of these differences, our shareholders may have more difficulty protecting their interests than they would as shareholders of a U.S. issuer.

Holders of our common shares may not be able to exercise their pre-emptive subscription rights and may suffer dilution of their shareholding in the event of future common share issuances.

Under Luxembourg Corporate Law, our shareholders benefit from a pre-emptive subscription right on the issuance of common shares for cash consideration. However, in accordance with Luxembourg law, our articles of association authorize our board of directors to suppress, waive or limit any pre-emptive subscription rights of shareholders provided by Luxembourg law to the extent our board deems such suppression, waiver or limitation advisable for any issuance or issuances of common shares within the scope of our authorized share capital. Such common shares may be issued above, at or below market value as well as by way of incorporation of available reserves (including a premium). This authorization is valid from the date of the publication in the Luxembourg's official gazette (*Mémorial C Recueil des Sociétés et Associations*) of the decision of the extraordinary general meeting of shareholders held on May 8, 2017, which publication occurred on May 19, 2017, and ends on May 19, 2022. In addition, a shareholder may not be able to exercise the shareholder's pre-emptive right on a timely basis or at all, unless the shareholder complies with Luxembourg Corporate Law and applicable laws in the jurisdiction in which the shareholder is resident, particularly in the United States. As a result, the shareholding of such shareholders may be materially diluted in the event common shares are issued in the future. Moreover, in the case of an increase in capital by a contribution in kind, no pre-emptive rights of the existing shareholders exist.

We are organized under the laws of the Grand Duchy of Luxembourg and it may be difficult for you to obtain or enforce judgments or bring original actions against us or our executive officers and directors in the United States.

We are organized under the laws of the Grand Duchy of Luxembourg. The majority of our assets are located outside the United States. Furthermore, the majority of our directors and officers and some experts named in this annual report reside outside the United States and a substantial portion of their assets are located outside the United States. Investors may not be able to effect service of process within the United States upon us or these persons or to enforce judgments obtained against us or these persons in U.S. courts, including judgments in actions predicated upon the civil liability provisions of the U.S. federal securities laws. Likewise, it may also be difficult for an investor to enforce in U.S. courts judgments obtained against us or these persons in courts located in jurisdictions outside the United States, including judgments predicated upon the civil liability provisions of the U.S. federal securities laws. It may also be difficult for an investor to bring an original action in a Luxembourg court predicated upon the civil liability provisions of the U.S. federal securities laws against us or these persons. Furthermore, Luxembourg law does not recognize a shareholder's right to bring a derivative action on behalf of the company except in limited cases.

As there is no treaty in force on the reciprocal recognition and enforcement of judgments in civil and commercial matters between the United States and the Grand Duchy of Luxembourg, courts in Luxembourg will not automatically recognize and enforce a final judgment rendered by a U.S. court. A valid judgment in civil or commercial matters obtained from a court of competent jurisdiction in the United States may be entered and enforced through a court of competent jurisdiction in Luxembourg, subject to compliance with the enforcement procedures (*exequatur*). The enforceability in Luxembourg courts of judgments rendered by U.S. courts will be subject prior any enforcement in Luxembourg to the procedure and the conditions set forth in the Luxembourg procedural code, which conditions may include the following as of the date of this annual report (which may change):

- the judgment of the U.S. court is final and enforceable (*exécutoire*) in the United States;
- the U.S. court had jurisdiction over the subject matter leading to the judgment (that is, its jurisdiction was in compliance both with Luxembourg private international law rules and with the applicable domestic U.S. federal or state jurisdictional rules);
- the U.S. court has applied to the dispute the substantive law that would have been applied by Luxembourg courts;
- the judgment was granted following proceedings where the counterparty had the opportunity to appear and, if it appeared, to present a defense, and the decision of the foreign court must not have been obtained by fraud, but in compliance with the rights of the defendant;
- the U.S. court has acted in accordance with its own procedural laws;
- the judgment of the U.S. court does not contravene Luxembourg international public policy; and
- the U.S. court proceedings were not of a criminal or tax nature.

Under our articles of association and also pursuant to separate indemnification agreements, we indemnify our directors for and hold them harmless against all claims, actions, suits or proceedings brought against them, subject to limited exceptions. The rights and obligations among or between us and any of our current or former directors and officers are generally governed by the laws of the Grand Duchy of Luxembourg and subject to the jurisdiction of the Luxembourg courts, unless such rights or obligations do not relate to or arise out of their capacities listed above. Although there is doubt as to whether U.S. courts would enforce such provision in an action brought in the United States under U.S. federal or state securities laws, such provision could make enforcing judgments obtained outside Luxembourg more difficult to enforce against our assets in Luxembourg or jurisdictions that would apply Luxembourg law.

Luxembourg insolvency laws may offer our shareholders less protection than they would have under U.S. insolvency laws.

As a company organized under the laws of the Grand Duchy of Luxembourg and with its registered office in Luxembourg, we are subject to Luxembourg insolvency laws in the event any insolvency proceedings are initiated against us including, among other things, Regulation (EU) No. 2015/848 of the European Parliament and of the Council of May 20, 2015 on insolvency proceedings. Should courts in another European country determine that the insolvency laws of that country apply to us in accordance with and subject to such EU regulations, the courts in that country could have jurisdiction over the insolvency proceedings initiated against us. Insolvency laws in Luxembourg or the relevant other European country, if any, may offer our shareholders less protection than they would have under U.S. insolvency laws and make it more difficult for them to recover the amount they could expect to recover in a liquidation under U.S. insolvency laws.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Globant is a Luxembourg *société anonyme* (a joint stock company). The company's legal name is "Globant S.A." We were founded in 2003 by Martín Migoya, our Chairman and Chief Executive Officer, Guibert Englebienne, our Chief Technology Officer, Martín Umaran, our Chief of Staff, and Nestor Nocetti, our Executive Vice President of Corporate Affairs. Our founders' vision was to create a company, starting in Latin America that would dream and build digital journeys that matter to millions of users, while also generating world-class career opportunities for IT professionals, not just in metropolitan areas but also in outlying cities and countries.

Since our inception, we have benefited from strong organic growth and have built a blue chip client base comprised of leading global companies. Over that same period, we have expanded our network of locations from one to 37. In addition, we have garnered several awards and recognition from organizations such as Endeavor, the IDC MarketScape, Global Services, the International Association of Outsourcing Professionals, and Fast Company, and we have been the subject of business-school case studies on entrepreneurship at the Massachusetts Institute of Technology, Harvard University and Stanford University in conjunction with the World Economic Forum.

In 2006, we started working with Google. We were chosen due to our cultural affinity and innovation. While our growth has primarily been organic, since 2008 we have made fourteen complementary acquisitions. Our acquisition strategy is focused on deepening our relationship with key clients, extending our technology capabilities, broadening our service offering and expanding the geographic footprint of our delivery centers, including beyond Latin America.

In 2008, we acquired Accendra, a Buenos Aires-based provider of software development services, in order to deepen our relationship with Microsoft and broaden our technology expertise to include Sharepoint and other Microsoft technologies. That same year we also acquired Openware, a company specializing in security management based in Rosario, Argentina.

In 2011, we acquired Nextive. The Nextive acquisition expanded our geographic presence in the United States and enhanced our U.S. engagement and delivery management team as well as our ability to provide comprehensive solutions in mobile technologies.

In 2012, we acquired TerraForum, an innovation consulting and software development firm in Brazil. The acquisition of TerraForum allowed us to expand into one of the largest economies in the world and to broaden our services to our clients, strengthening our position as a leader in the creation of innovative software products.

In August 2013, we acquired 22.75% of Dynaflows S.A. In October 2015, we obtained the control over Dynaflows through acquiring an additional number of shares. This additional acquisition allowed us to broaden our Services over Platforms strategy.

In October 2013, we acquired a majority stake in the Huddle Group, a company specializing in the media and entertainment industries, with operations in Argentina, Chile and the United States. We acquired the remaining 13.75% minority stake in Huddle Investment in October 2014.

In July 2014, we closed the initial public offering of our common shares in the United States.

In October 2014, we acquired BlueStar Holdings. Through this acquisition, we commenced our operations in Perú.

In April 2015, we closed a follow-on secondary offering of our common shares in the United States through which certain selling shareholders sold 3,994,390 common shares previously held by them. In July 2015, we closed another follow-on secondary offering in the United States through which certain selling shareholders sold 4,025,000 common shares previously held by them.

In May 2015, we acquired Clarice which allowed us to establish our presence in India.

Also, in 2015, we launched new Studios to complement our offerings, including one focused on Cognitive Computing, and we incorporated a complementary approach to build digital journeys fast and in an innovative manner through our service-over-platform offering.

During 2016, we introduced a new model that intends to reshape our go-to-market strategy to scale our company in the coming years, called 50 Squared. The main goal of this new approach is to focus our team in the top 50 high potential accounts that have the capacity to grow exponentially over time. To do so, we have appointed our most senior people from Sales, Technology and Operations to lead these teams and take our company to the next level. This account focus has become the most important pillar of our go-to-market strategy and every account within Globant now has the goal to become part of this program.

In May 2016, we acquired We Are London Limited ("WAE UK") and We Are Experience, Inc. ("WAE US") (jointly, WAE UK and WAE US are "WAE"). The purpose of these acquisitions was related to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of WAE.

In August 2016, we applied to the Luxembourg Stock Exchange for listing on the Official List of the Luxembourg Stock Exchange ("Lux SE") and for the admission to trading on its regulated market of our common shares. Our shares began trading on the Lux SE on August 11, 2016.

In November 2016, we entered into a stock purchase agreement with 3Cinteractive corp. ("3C") to purchase the 100% of the capital stock of Difier, an Uruguayan company. At the same time, we signed a consulting services agreement to provide software development services to 3C for a term of four years.

During the same month, we acquired L4 Mobile, LLC. The purpose of this acquisition was related to strengthening our leading position in the digital services space and expanding our capabilities in the United States.

In February 2017, we acquired Ratio Cypress, LLC, a limited liability company organized and existing under the laws of the State of Washington in the United States. Ratio offers design, development and quality assurance services necessary to build and manage robust digital products and video streaming solutions for major media companies.

In June 2017, we acquired PointSource, LLC, a design and development technology agency, based in Raleigh, North Carolina, and Chicago. The purpose of this acquisition was related to the benefit of expected synergies, revenue growth and expanding our capabilities in the United States.

Corporate Information

Our principal executive office is located at 37A Avenue J.F. Kennedy, L-1855, Luxembourg and our telephone number is + 352 20 30 15 96. We maintain a website at <http://www.globant.com>. Our website and the information accessible through it are not incorporated into this annual report.

B. Business overview

Overview

We are a digitally native technology services company. We are passionate about building the new way of being digital. We want to help our clients emotionally connect with consumers and employees, leveraging the power of artificial intelligence ("AI") for business optimization. We are the place where engineering, design, and innovation meet scale. Our principal operating subsidiary is based in Buenos Aires, Argentina. For the year ended December 31, 2017, 78.8% of our revenues were generated by clients in North America, 11.8% in Latin America, 0.2% in Asia and 9.3% in Europe, including many leading global companies.

Over the past several years, new technologies have emerged to revolutionize the way end-users interact with technology and reshape businesses and competitive landscapes for organizations.

We believe that we are at the forefront of one of the most radical and profound changes since we experienced the mobile and digital transformation that started with the smartphones 10 years ago: the AI revolution. AI and machine learning ("ML") capabilities have advanced exponentially in recent years, blurring the line between fantasy and reality, and creating an unparalleled market opportunity for whoever can deliver the technology to eager consumers.

Like many radical transformations in the past, AI is poised to be a disruptive force in the near future. Although AI has been available for decades, it has recently matured due to technological advancements that have driven innovation in many industries and accelerated investment in AI.

Today's users move quickly and are keen to interact with their digital ecosystem anywhere and anytime, in a fast, seamless and personalized way that will simplify their lives. We are experiencing an abundance of demand for more intelligent and human-like behavior and technology, and we believe that we have concrete ways to fill that demand.

Our Globers are our most valuable asset. As of December 31, 2017, we had 6,753 Globers and 37 locations across 30 cities in Latin America, Asia, Europe and North America, throughout 12 countries, supported by four client management locations in the United States, and one client management location in each of United Kingdom, Colombia, Uruguay, Argentina and Brazil. Our reputation for cutting-edge work for global blue chip clients and our footprint across the world provide us with the ability to attract and retain well-educated and talented professionals. We are culturally similar to our clients and we function in multiple time zones. We believe that these characteristics have helped us build solid relationships with our clients in the United States and Europe and facilitate a high degree of client collaboration.

For the year ended December 31, 2017, 78.8%, 11.8%, 9.3% and 0.2% of our revenues were generated by clients in North America, Latin America, Europe and Asia, respectively. Our clients include companies such as Google, Electronic Arts, Southwest Airlines Co. and Walt Disney Parks and Resorts Online, each of which was among our top ten clients by revenues for at least one Studio in the year ended December 31, 2017. 88.3% of our revenues for 2017 were attributable to repeat clients who had used our services in the prior year. We believe our success in building our attractive client base in the most sophisticated and competitive markets for IT services demonstrates the superior value proposition of our offering and the quality of our execution as well as our culture of innovation and entrepreneurial spirit.

Our revenues increased from \$253.8 million for 2015 to \$413.4 million for 2017, representing a Compound Annual Growth Rate ("CAGR") of 27.6% over the two-year period. Our revenues for 2017 increased by 28.1% to \$413.4 million, from \$322.9 million for 2016. Our net income for 2017 was \$30.5 million, compared to a net income of \$35.9 million for 2016. The \$5.4 million decrease in net income from 2016 to 2017 was primarily driven by lower gross margin, partially offset by a decrease in selling, general and administrative expenses and efficiencies in the effective income tax rate. In 2015, 2016 and 2017, we made several acquisitions to enhance our strategic capabilities, none of which contributed a material amount to our revenues in the year the acquisition was made. See "Information on the Company — History and Development of the Company."

Our Industry

Over the last several years, a number of technologies have emerged to revolutionize the way end users interact with technology, reshape businesses and change the competitive landscapes for organizations. The proliferation and accelerated adoption of technologies like artificial intelligence, machine learning, virtual reality, cloud computing and related market trends including the focus on omnirelevant experiences, automation of processes and the consumerization of information technology are leading this transformation.

In this new environment, companies' customers, employees, partners, and stakeholders have become voracious users of technology with high expectations. These users move fast from place to place and are keen to interact with their digital ecosystem anywhere and anytime, in a painless, fast, relevant, and unrestricted way. They demand personalized, seamless and frictionless experiences that will simplify their lives.

We believe that these changes are resulting in a paradigm shift in the technology services industry and are creating a demand for service providers that possess a deep understanding of how to build the new way of being digital, taking into account the following emerging technologies and related market trends:

Tech Trends

- **Artificial Intelligence:** AI encompasses a set of technologies that have advanced exponentially in recent years, blurring the line between fantasy and reality and creating an unparalleled market opportunity for whoever can bring the technology to eager consumers. These technologies include big data and fast data, speech recognition, natural language generation and processing, deep learning, machine learning, robotic process automation and biometrics.
- **Security:** In the last few years, security breaches have become more high profile, pushing all industries to improve their security programs and become more transparent. Healthcare, finance and enterprise-related data are included on all types of devices and, consequently, a concrete cybersecurity framework that protects all the touch points is needed. Enterprises must be ready with a ransomware deflection plan and should be transparent and upfront with any data breach.
- **Virtual Reality and Augmented Reality:** Experiences will be expanded from visual and sound to include more sensors, such as touch and smell. These technologies now exist and will continue to be used by more industries, ranging from entertainment to healthcare.
- **Blockchain technology:** A blockchain is a distributed database in which information is listed sequentially in "blocks." This helps prevent the tampering of data and promises increased trust and less business friction by offering transparent access to the chain. Several industries including gaming, music distribution, title registry, and identity verification, are already starting to leverage this technology in initiatives that are likely to launch during 2018.
- **Cloud computing:** Cloud computing is a model for consuming and delivering business and consumer products and services, using Internet-based computing, storage and connectivity technology to house content distributed to an increasing variety of devices. This trend fosters the development of new applications and devices that can access cloud-based software.

Market Trends

- **Future of Organization:** Companies depend on their ability to recruit the right talent and empower employees, which can be accomplished through efficient human resource planning and technological enablement. Companies are striving to fix poor employee experiences by developing new processes from the principles of creating customer experiences.
- **Omnirelevant experiences:** Focusing on relevance and quality of user interaction over quantity of touch points is at the heart of an effective digital strategy for companies. This requires consumer-centric thinking from the outset. It means being aware of the moments that impact customers and taking action throughout their digital journey while, taking into consideration five key elements: harmony, familiar security, contextual content, sensory and surprise.

- **Personalization of products, services and content:** Consumers are interested in having trusting relationships with brands, and these relationships require emotional intimacy at every step of the journey. Personalization of products, services and content substantially depends on accurately capturing and reading micro moments of users. User interface and design experimenters are introducing customized interface and persona-mapped user journeys that will shape the user's experience based on his or her mood and emotions by using brainwave biometrics, and other sensory receptions, such as gaze and hand gestures. These inputs will guide the user's interaction with dynamic content and navigate the journey of using an application.
- **Automation:** Automation continues to surge as many industries create technology to handle repetitive tasks. This is affecting traditional production tasks as well as digital ones such as for marketing and analysis purposes. For example, the use of machine learning allows for anomalies to be detected without the need of human intervention. Companies will continue to find ways to improve efficiency by automating their processes.
- **Consumerization of Information Technology:** This process increases as consumers continue to adopt emerging technologies into their personal lives, and come to expect the same experience, communication and features from business applications. Employees and enterprises are leveraging tools that originated in the consumer world to communicate, collaborate and share knowledge in the workplace, as well as with clients.
- **Chat and business bots:** These software programs include AI components to interact with people over messaging apps. They have been used for practical purposes such as customer service or information acquisition, but businesses are beginning to see that they can be leveraged to incite conversations that deliver personalized and meaningful content to their customers at scale.

Our Approach

We create software designed to appeal to, and connect emotionally with, consumers. We focus on bringing engineering, innovation and design to scale. We assist our clients in transforming their businesses into digital.

We utilize an ecosystem designed to foster creative engineering and successful digital transformations, together with a drive to accompany our clients as they **Stay Relevant** within their industries through research and events.

The four key components of our ecosystem are: our **Studios**; our **Services over Platforms** division; our **Agile Pods Methodology**; and, our **Stay Relevant** approach.

Studios:

We believe that our Studio model is an effective way of organizing our company into smaller operating units, fostering creativity and innovation while allowing us to build, enhance and consolidate expertise around a variety of emerging technologies. Each of our Studios has specific domain knowledge and delivers tailored solutions focused on specific technology challenges. This method of delivery is the core of our services offering and our success. We group them in three different categories: Strategic (these studios are key to shaping our clients' business strategy; they help ensure that organizations are relevant and sustainable); Specialty (studios that power digital transformations and create quality digital products with innovative technologies and emerging trends); Foundation (the engine that allows us to meet scale and provides efficiency and quality to our clients' digital transformations).

Service Over Platforms:

Our experience building software products allows us to develop a set of platforms designed to help create Digital Journeys in an agile and innovative manner. These products have the flexibility to adapt to our clients' needs as we provide microservices to complement them.

Within our Services over Platforms, we provide specific platforms as a starting point, and then customize them to the specific need of the customers using our services force. We price this service in the same way SaaS companies do: cost per transaction, cost per user or cost per month according to each platform.

Agile Pods Methodology:

We have created a software product design and development model, known as Agile Pods. This model aligns business and technology teams and is driven by a culture of self-regulated teamwork and collaboration across skills, partners and country borders.

Leveraged across divisions, Agile Pods are dedicated to mature emerging technologies and market trends, and provide a constant influx of mature talent and solutions that create intellectual property for our clients. They are self-organized teams that work to meet creative and production goals, make technology decisions and reduce risk. These teams are fully responsible for creating solutions, building and sustaining features, products or platforms.

In addition, savings are delivered to clients due to sustained productivity boosts as the Agile Pods begin to operate at a higher maturity level. We ensure consistency, accountability and replicability by having Agile Pods follow a well defined set of maturity criteria. Maturity models describe levels of growth and development as follows: Maturity, Quality, Velocity, and Autonomy. Each level acts as a foundation for the next and lays out a path for learning and growth. As Agile Pods evolve from one level to the next, they are equipped with the understanding and tools to accomplish goals more effectively.

Associated metrics guide improvement efforts and generate quantitative and qualitative insights to inform iterative design and planning decisions.

Stay Relevant

We work to provide helpful information and initiatives to understand our customers' environment, competitors and user behavior. Our thought leaders help our customers stay relevant within their industries by creating and publishing research, organizing SME gatherings, and participating in webinars and conferences, among other initiatives. Our mission is to provide valuable insights to help organizations create their customers' journeys, experiences, and to foster emotional connections with the audience.

Culture

Our culture is the foundation that supports and facilitates our distinctive approach. It can be best described as entrepreneurial, flexible, sustainable and team-oriented, and is built on three main motivational pillars and six core values.

Our motivational pillars are: Autonomy, Mastery and Purpose. Through Autonomy, we empower Globers to take ownership of their client projects, professional development and careers. Mastery is about constant improvement, aiming for excellence and exceeding expectations. Finally, we believe that only by sharing a common Purpose we will build a company for the long-term that breaks from the status quo, is recognized as a leader in the delivery of innovative software solutions and creates value for our stakeholders.

Globant's core values are:

- **Act Ethically** – In our view, the achievement of professional excellence requires high ethical standards. We believe in doing business in an ethical manner and know our achievements go hand-in-hand with the responsibility to improve our society.

- **Think Big** – We believe that we can build a world-class company that provides Globers with a global career path. Our work is based on constant challenges and growth.
- **Constantly Innovate** – We seek to innovate in order to break paradigms.
- **Aim for Excellence in Your Work** – We know that problems we face now will reappear in future projects so we try to solve the obstacles that affect us today.
- **Be a Team Player** – We encourage Globers to get to know their colleagues and to support one another. Together, we are going to improve our profession, company and countries. We operate as one team whether it's solving a problem or celebrating excellent results. We also all have the right to be heard and respected.
- **Have Fun** – As Globers, we believe in finding pleasure in our daily tasks, creating a pleasant work atmosphere and building friendships among colleagues.

Consistent with our motivational pillars and core values, we have designed our workspaces to be enjoyable and stimulating spaces that are conducive to social and professional interaction. Our delivery centers include, among others, brainstorming rooms, music rooms and "chill-out" rooms. We also organize activities throughout the year, such as sports tournaments, outings, celebrations, and other events that help foster our culture. We believe that our work environment fosters creativity, innovation and collaborative thinking, as well as enables Globers to tap into their intrinsic motivation for the benefit of our company and our clients.

Innovation

As fundamental values of our day-to-day, innovation and creativity are not managed from a specific area. Instead, these values are emphasized throughout our company.

In our view, it is critical that each and every one of our Globers be an innovator. In addition to offering a flexible and collaborative work environment, we also actively seek to build the capabilities required to sustain innovation through several ongoing processes and initiatives including: iFactor (our innovation program), design thinking workshops (internally and with customers), Think Big Sessions (open technology talks) and Globant Labs (a space where our Globers can ideate and develop their own projects).

Sustainability

We believe that sustainable development of our organization is critical in order to enhance our competitive position in building the new way of being digital. In other words, we look forward to social and environmental results, in addition to financial metrics.

For this reason, besides working internally with Globers, we focus on community involvement, interacting with society and committing ourselves to meet their needs. Three pillars drive our commitment: education for job placement, technology for the community and entrepreneurship promotion.

Entrepreneurship

Globant was created as a start up. It was built by entrepreneurs and, over the years, many Globers have made a difference by creating and dreaming big with us. Entrepreneurship is the inner force that moves us to build digital journeys that matter to millions of users. We encourage Globers to dream and create more meaningful and rewarding experiences for our customers. To empower that vision:

- We created the iFactor Program, which is an internal contest and a way of looking for new approaches and original ideas to add value for us and our customers through innovation, scalability and commercial viability.
- We support startups and entrepreneurs around the world mentoring and empowering them to scale.

Competitive Strengths

We believe the following strengths differentiate Globant and create the foundation for continued rapid growth in revenues and profitability:

Ability to build the new way of being digital

Over the past several years, new technologies have emerged to revolutionize the way end-users interact with technology and reshape businesses and competitive landscapes for organizations.

We create software designed to appeal to, and connect emotionally with, consumers. We focus on bringing engineering, innovation and design to scale. We assist our clients in transforming their businesses into digital.

We believe that we are at the forefront of one of the most radical and profound changes since we experienced the mobile and digital transformation that started with the smartphones 10 years ago: the AI revolution. AI and machine learning ("ML") capabilities have advanced exponentially in recent years, blurring the line between fantasy and reality, and creating an unparalleled market opportunity for whoever can deliver the technology to eager consumers.

Like many radical transformations in the past, AI is poised to be a disruptive force in the near future. Although AI has been available for decades, it has recently matured due to technological advancements that have driven innovation in many industries and accelerated investment in AI.

Today's users move quickly and are keen to interact with their digital ecosystem anywhere and anytime, in a fast, seamless and personalized way that will simplify their lives. We are experiencing an abundance of demand for more intelligent and human-like behavior and technology, and we believe that we have concrete ways to fill that demand.

Deep domain expertise in emerging technologies and related market trends

We have developed strong core competencies in emerging technologies and practices such as artificial intelligence, mobility, big data, wearables, internet of things, security, digital content and cloud computing. We have a deep understanding of market trends, including the focus on omnirelevant experiences, automation of processes, user experience, personalization, Cognitive Computing and open collaboration. Our areas of expertise are organized in Studios, which we believe provide us with a strong competitive advantage and allow us to leverage prior experiences to deliver superior software solutions to clients.

Long-term relationships with blue chip clients

We have built a roster of blue chip clients such as Google, Electronic Arts, Southwest Airlines Co. and Walt Disney Parks and Resorts Online, many of which themselves are at the forefront of emerging technologies. In particular, we have been working with Disney and Electronic Arts for more than eight and ten years, respectively. We believe that our success in developing these client relationships reflects the innovative and high value-added services that we provide along with our ability to positively impact our clients' business. Our relationships with these enterprises provides us with an opportunity to access large IT, research and development and marketing budgets. These relationships have driven our growth and have enabled us to engage with new clients.

Global delivery with access to deep talent pool

As of December 31, 2017, we provided our services through a network of 37 offices in 30 cities throughout twelve countries. Our delivery locations are in United States (San Francisco, New York, Seattle, Raleigh, Chicago and Dallas), Argentina (Buenos Aires, Tandil, Rosario, Tucumán, Córdoba, Resistencia, Bahía Blanca, Mendoza, Mar del Plata and La Plata), Uruguay (Montevideo), Colombia (Bogotá and Medellín), Brazil (São Paulo), Peru (Lima), Chile (Santiago), México (México City), India (Pune and Bangalore), Spain (Madrid) and United Kingdom (London). We also have client management locations in the United States (San Francisco, New York, Boston and Miami), Brazil (São Paulo), Colombia (Bogotá), Uruguay (Montevideo), Argentina (Buenos Aires) and the United Kingdom (London). The main administrative offices of our principal subsidiary (which also include a delivery center) are located in Buenos Aires. Our principal executive office is located in Luxembourg. All of our facilities (with the exceptions of Tucumán and Bahía Blanca) are leased. We also have two offices under construction in Buenos Aires and La Plata.

Latin America has an abundant talent pool of individuals skilled in IT. Over 315,000 engineering and technology students have graduated annually from 2011 – 2015 from universities in Latin America and the Caribbean region according to The Science and Technology Indicator Network (*Red de Indicadores de Ciencia y Tecnología*), a research organization that tracks science and technology indicators in the region. Latin America's talent pool (including Mexico, Brazil, Argentina, Colombia and Uruguay) is composed of approximately 1,000,000 professionals according to SmartPlanet and NearshoreAmericas. Our highly skilled Globers come from leading universities in the regions where our delivery centers are located. Among our surveyed Globers, approximately 95.0% have obtained a university degree or are enrolled in a university while they are employed by our company, approximately 3.2% have obtained a graduate level degree, and many have specialized industry credentials or licensing, including in Systems Engineering, Electronic Engineering, Computer Science, Information Systems Administration, Business Administration and Graphic and Web Design. Our time zone and cultural similarity have helped us build solid relationships with our clients in the United States and Europe and differentiate us on projects that require a high degree of client collaboration.

A key element of our strategy is to expand our delivery footprint, including increasing the number of employees that are deployed onsite at our clients or near client locations. In particular, we intend to focus our recruitment efforts on the United States. We will continue to focus on expanding our delivery footprint both within and outside Latin America to gain access to additional pools of talent to effectively meet the demands of our clients and to increase the number of Globers that are deployed onsite at our clients or near client locations.

Highly experienced management team

Our management team is comprised of seasoned industry professionals with global experience. Our management sets the vision and strategic direction for Globant and drives our growth and entrepreneurial culture. On average, the members of our senior management team have 19 years of experience in the technology industry giving them a comprehensive understanding of the industry as well as insight into emerging technologies and practices and opportunities for strategic expansion.

Strategy

We seek to be a leading provider of software that appeals and connects emotionally with millions of consumers. The key elements of our strategy for achieving this objective are as follows:

Grow revenue with existing and new clients

We will continue to focus on delivering innovative and high value-added solutions that drive revenues for our clients, thereby deepening our relationships and leading to additional revenue opportunities with them. We will continue to target new clients by leveraging our engineering, design and innovation capabilities and our deep understanding of emerging technologies. We will focus on building our brand in order to further penetrate our existing and target markets where there is a strong demand for our knowledge and services.

Remain at the forefront of innovation and emerging technologies

We believe our Studios have been highly effective in enabling us to deliver innovative software solutions that leverage our deep domain expertise in emerging technologies and related market trends. As new technologies emerge and as market trends change, we will continue to add Studios to remain at the forefront of innovation, to address new competencies that help us stay at the leading-edge of emerging technologies, and to enable us to enter new markets and capture additional business opportunities.

Attract, train and retain top quality talent

We place a high priority on recruiting, training, and retaining employees, which we believe is integral to our continued ability to meet the challenges of the most complex software development assignments. In doing so, we seek to decentralize our delivery centers by opening centers in locations that may not have developed IT services markets but can provide professionals with the caliber of technical training and experience that we seek. Globant offers highly attractive career opportunities to individuals who might otherwise have had to relocate to larger IT markets. We will continue to develop our scalable human capital platform by implementing resource planning and staffing systems and by attracting, training and developing high-quality professionals, strengthen our relationships with leading universities in different countries, and help universities better prepare graduates for work in our industry. We have agreements to teach, provide internships, and interact on various initiatives with the several universities in Argentina, Colombia, Uruguay, Mexico, Brazil and India.

Selectively pursue strategic acquisitions

Building on our track record of successfully acquiring and integrating complementary companies, we will continue to selectively pursue strategic acquisition opportunities that deepen our relationship with key clients, extend our technology capabilities, broaden our service offerings and expand the geographic footprint of our delivery centers, including beyond Latin America, in order to enhance our ability to serve our clients. Our acquisitions of Ratio and PointSource in the first and second quarter of 2017, respectively, illustrate our commitment to this strategy.

Our Services

We utilize an ecosystem designed to foster creative engineering and successful digital transformations, together with a drive to accompany our clients as they **Stay Relevant** within their industries through research and events.

The four key components of our ecosystem are: our **Studios**; our **Services over Platforms** division; our **Agile Pods Methodology**; and, our **Stay Relevant** approach.

Studios: Our Studios are deep pockets of expertise designed to foster creativity and innovation by focusing on a specific domain of knowledge.

Services Over Platforms: Our experience building software products allows to develop a set of platforms designed to help create Digital Journeys in an agile and innovative manner. These products have the flexibility to adapt to our clients' needs as we provide microservices to compliment them.

Agile Pods: Agile Pods are cross-functional and multidisciplinary teams that bring together design and engineering in order to deliver the right products. Agile Pods are measured according to four variables: innovation, velocity, quality, and autonomy. We encourage pods to mature over time to become more aligned with our customers' needs.

Stay Relevant: We work to provide helpful information and initiatives to understand our customers' environment, competitors and user behavior.

Studios

Our Studio model is an effective way of organizing our company into smaller operating units, fostering creativity and innovation while allowing us to build, enhance and consolidate expertise around a variety of emerging technologies. Each of our Studios has specific domain knowledge and delivers tailored solutions focused on specific technology challenges.

Our Studios represent the core of our service offerings and our success. We group them in three different categories:

- **Strategic:** These studios are key to shaping our clients' business strategy. They help ensure that organizations are relevant and sustainable.
- **Specialty:** Studios that power digital transformations and create quality digital products with innovative technologies and emerging trends.
- **Foundation:** The engine that allows us to meet scale and provides efficiency and quality to our clients' digital transformations.

Our set of strategic studios includes the following:

Artificial Intelligence: Enabling the future today

We strive to enable the future today with state-of-the-art techniques, including deep learning, other neural networks and traditional ML approaches, coupled with the increased capacity of machines to understand complex patterns out of data.

The portfolio of services we provide through the Studio includes:

- **Machine Learning:** We build solutions powered by ML using traditional approaches (regressions, decision trees, HMM, SVM) and new deep learning methods. Our focus still relies on a human centric design and, therefore, we apply ML to adapt the Journey to create a seamless and emotionally-engaged experience. We utilize ML to provide an as-good-as-a-human decision process (contextual, adaptive) to delegate low-value-added decisions or alert when a critical decision is needed.
- **Pattern Recognition:** We leverage the power of signal processing (video, images, audio, text or any other type of data), to recognize and understand patterns. New opportunities are flourishing from the availability of volumes of new data in different forms; together with computer power and new algorithms.
- **Natural Language Understanding:** Natural Language Understanding ("NLU") enables a computer to understand and generate natural language (either typed or spoken). We develop software with NLU capabilities to explore new ways of emotional engagement. We enable users to address software, through different devices, as though the user was addressing another person. Our software applies computational techniques in order to understand the syntax and semantics of language.

Future of Organizations: Making organizations come alive

The Future of Organizations Studio focuses on helping companies with their internal digital transformation and digital corporate culture. The goal of this Studio is to ensure our customers' success by engaging employees and considering them to be one of the most important stakeholders of the organization.

Platforms and apps that integrate and act as the operating system for the organization of the future. We help organizations with their digital transformation, enabling them to manage their culture effectively, engaging their employees from day one to ensure success.

Consultancy: Humanizing Technology

Through our Consultancy Studio, we seek to enable our clients to move quickly and confidently from strategy to execution phases while enhancing their overall returns.

The portfolio of services we provide through our Consultancy Studio includes:

- **Customer Insight:** We use qualitative and quantitative studies into needs, wants, expectations and ideals to predict future customer states, allowing clients to make smarter strategic decisions. Services include co-insight sessions, lab based, ethnographic, surveys, forms, behavioral tracking and trend analysis and large scale quantitative studies.
- **Behavioral Change:** Understand and influence user behavior, through the science of collaboration, research and insight to drive process-oriented human, environmental and systems change. From channel shift for transport to crime reduction for civic services and smarter health care, our clients are changing the world for the better.
- **Product Innovation:** Customer-centered rapid evaluation and enhancement of new propositions and existing products through an agile design and iteration process: heuristic evaluation, concepting and story-boarding, low and high-fidelity prototyping, lab and guerilla testing. All run with customer and client collaboration sessions, on-site or off-site.
- **Design Thinking:** A way to enable stakeholders to 'think like a customer' and collaboratively develop a shared vision of the ideal future state for the business and customer: co-discovery and co-design, empathy mapping, experience/journey mapping, lego serious play, vision setting.

Product Acceleration: Delivering best-in-class digital products

Our Product Acceleration Studio utilizes modern product management techniques to ensure products solve the right problems, meet user expectations, and achieve business value.

The portfolio of services we provide through our Product Acceleration Studio includes:

- **Product Management Discovery:** We create a bridge between initial product briefs and actionable implementation plans. Product Managers help companies discover core user problems, define effective solutions, implement product development practices, establish product organizations, evolve product governance and define go-to-market strategies.
- **Product Management Delivery:** Fully engaged product owners who are able to create epics and stories, collaborate with designers and engineers, help teams prioritize work, and evaluate team performance against business value in an agile way.
- **Product Coaching:** Product management coaches help companies establish people-centric product development practices, including skills training, organizational consulting and team definition.

Process Automation: Efficiency driven by technology

Our Process Automation Studio delivers solutions that enable our clients to be more efficient, innovative and agile.

Companies strive to enhance their efficiency as they grow and competition increases. Our goal is to provide solutions that improve productivity, create competitive advantages, foster innovation and provide agility. We work to establish quick wins that are refined using an iterative approach to deliver more value on each cycle while optimizing throughput.

The portfolio of services we provide through our Process Automation Studio includes:

- **Process Appraisal:** An in-depth analysis of the processes is done so that they can be valued and prioritized to outline the best automation strategy. In order to have quick wins that deliver actual value to the business we do a joint work with our clients to define measurable criteria that support the decision on where to start and the set of technologies to use and be successful.

- **Automated Solutions:** Process automation is not just selecting a single tool in the market and automate a flow but rather a conscious analysis of the set of technologies to be used understanding the context on which they will run. Our extensive knowledge of technologies allow us to define the appropriate architecture considering infrastructure and automation needs, while leveraging AI and data scraping techniques among more traditional solutions.
- **Process Evolution:** Monitoring and governance of automated process is key to improving efficiency. Through the definition of the appropriate set of metrics and tools, we control the operation identifying bottleneck areas and optimize performance, as well as including new processes to automation strategy.

Agile Delivery: *Aligning stakeholders and methodologies to meet business goals.*

Digital Transformation programs require alignment from the strategic, tactic and support levels as a crucial factor to their success. As a backbone to these programs, leaders are expected to steer engagement, innovation, effectiveness and commitment from the teams while achieving predictability in terms of timeframe, budget and quality. We create sustainable operations designed to scale and guarantee the lowest cost of ownership.

The portfolio of services we provide through our Agile Delivery Studio includes:

- **Delivery Management:** We deliver high value solutions by steering teams into a continuous improvement approach to product development. We set clear and common goals to achieve outstanding results within budgets, with scalable and sustainable operations.
- **Agile Consultancy:** We educate, mentor and enable organizations to capitalize on the principles and competencies found in paradigms such as Agile, Systems Thinking, Lean and others. We support the transition and journey until it reaches a point of self-sustainability.
- **Management Consulting:** We provide consulting services related to processes, quality and performance indicators. We provide visibility for effective decision making process and PMO Development service for our clients. Our design process is intended to contribute to operational goals.

The specialty studios include the following:

UX Design: *Designing relevant experiences*

Our UX Design Studio focuses on delivering quality, design, strategy, and production to address worldwide digital challenges. Our designs are based on observations of consumer behavior and market trends. Our goal is to create concrete and relevant solutions that appeal to both users and businesses.

The portfolio of services we provide through our UX Design Studio includes:

- **User Experience:** By identifying verbal and non-verbal stumbling blocks, we refine and iterate to create an exceptional user experience. From user research and usability analysis to interactive design, we enhance interactions, information architecture, usability and persuasion. We help our clients inspire their communities, foster adoption and drive conversion results.
- **Visual Design:** We utilize an insightful and conceptual approach to create and execute designs. We develop visual elements of an interphase and implement a brand personality into the interaction design. We establish relationships with the users by creating emotional interfaces and brands based on deep analyses of end-users and market trends. In much the same way that a piece of art appeals to the human eye, we strive to visually and emotionally engage users.

- **Service Design:** Service design involves the activity of mapping, prototyping and planning cutting-edge product-service systems and how the actors should interact to bring those omni-relevant experiences to market. From strategic and operations management to business design, we apply a holistic approach to understand, create and orchestrate strategic scenarios, working in collaboration with multidisciplinary teams. Our service designers co-design with clients and customers translating research insights into actionable plans and viable opportunities for growth.
- **Industrial Design:** Modern style and design must go hand in hand with technology, particularly at a time when consumers have high standards in terms of the quality of functional and non functional features. Our practice is focused on creating beautiful and natural designs that feed all the senses. For many years screens have had all the design focus, but with the introduction of haptics and other feedback mechanisms, it's key to consider the rest of the senses in the product or experience design.

Mobile: *Enabling mobility everywhere*

Whether our clients need to build a new product, mobilize an existing product or maintain an existing solution, which can be native, hybrid or built through cross-compilers, our Mobile Studio is experienced on the latest tools and frameworks to help you reach your business goals. Leveraging on our experience from our Agile Pods Methodology, cross-industries knowledge, and a combination of state-of-the-art and traditional user interface tactics, we add value when creating or improving our clients' mobile strategy.

The portfolio of services we provide through our Mobile Studio includes:

- **Mobile Engineering:** We build mobile applications for the most common platforms. We develop through a native approach, utilizing the most recent operating system updates and device capabilities for iOS and Android or, we develop through a hybrid or cross-compiler approach maximizing code reuse. We are technology-agnostic and recommend the best approach for our clients' business needs. We've built over 300 mobile products for iPhone, iPad, Apple TV, Apple Watch, Android smartphones, Android tablets and Android wearable devices.
- **Fast Prototyping:** Our SWAT team can build a working prototype to quickly validate our clients' business ideas or jumpstart their projects to a scalable solution. We utilize proven base tech stacks and platforms to minimize coding.
- **Mobile & Product Strategy:** We assist our clients in a variety of situations to further mature their mobile strategy. Some of our clients have no experience in building mobile applications, while others have multiple products without development standards or need assistance scaling their teams. Based on our experience working with over 100 organizations, from startups to Fortune 500 companies, we developed our consultancy framework to assess each organization's maturity and provide solutions to deliver mobile solutions.

Gaming: *Engaging through play*

Our Gaming Studio specializes in the design and development of world-class games and digital platforms, which work across console, pc, web, social and mobile channels.

We enable our clients to leverage game mechanics by helping them develop a vision and execute an idea through production, launch and operation. We believe that our expertise and experience with some of the most recognized companies in the gaming industry enables us to add value to our customers' businesses. We utilize our experience, creative talent, well-established technology frameworks and processes to scale and foster innovation.

The portfolio of services we provide through our Gaming Studio includes:

- **Game Engineering:** We streamline the development process creating feature-rich products around the core intellectual property of our clients. We co-develop AAA games working directly for world-class video game developers.
- **Game Experience:** Our Gaming Studio is capable of creating all components of a gamified experience. For example, we can create a complete video-game or apply gamification techniques to a current product, combining game design with user experience to provide experiences across multiple platforms. We seek to engage users and achieve business goals through fun and play.
- **Digital Platform Services:** We create and expand centralized platforms for cross-platform development. A digital platform consists of a coherent technical offer to access a universe of distant, interactive or non-interactive services which can be broadcasted or supplied on-line.
- **Virtual & Augmented Reality:** Virtual reality extends beyond gaming and entertainment. In the near future, we expect it to become omnipresent and a critical component of IT. Augmented reality allows a user to expand his or her mind beyond reality, displaying information in the user's field of view where the real and virtual worlds are tightly coupled. Our Gaming Studio provides ideation sessions, customer engagements, market reach and content creation to bring the next generation of technology to our clients' businesses.
- **Graphics Engineering:** We provide services to develop products and tools to bring artists' designs to life. This includes animation, lighting, shading, visualization tools and rendering.
- **3D & 2D Art:** We focus on creating high-end game art for AAA productions. We monitor the latest technical and artistic pipelines as well as the latest art techniques in order to stay relevant to current industry standards. We provide character and environment art, from the conception stage to the final game ready asset.
- **e-Sports:** We provide an interactive and engaging experience for target audiences. Whether it's virtual reality, second screen or main screen, we combine our engineering, product design and community management solutions to help our clients increase spectators and connect observers and players.

BigData: *Turning data into insights*

In our Big Data Studio, our mission is to empower our clients with a competitive advantage by unlocking the true value of data to create meaningful, actionable and timely business insights.

We break down internal data silos that have different data structures, velocities and volumes, and enrich that data with external sources, creating a scalable Enterprise Data Platform, democratizing the data and fostering organizational changes towards a data-driven culture. Our Data Engineers combine data, business processes, and state-of-the-art IT tools and algorithms that enable businesses to engage in a deeper, interactive and more meaningful conversation with their data, using visual discovery techniques to reveal hidden patterns and trends and obtain relevant and useful business insights for decision-making purposes.

The portfolio of services we provide through our Big Data Studio includes:

- **Data Architecture:** With the widespread usage of devices and the virialization of social networks, massive volumes of digital data are available. Companies want to extract valuable conclusions about their businesses by cross-referencing data with traditional and innovative unstructured sources. We offer business-aware real-time analytics and enterprise information management services, which include traditional data warehousing using relational database management systems and next-generation non-relational and distributed database management technology.
- **Data Science:** We utilize mathematical and statistical tools of data science to help our clients "fill the gap" between what they know from their data, and what they would like to know if additional data were available. This includes predictions, optimizations and classifications.
- **Distributed Platforms:** We partner with our clients in successfully executing highly complex strategic software projects, optimizing their architecture design and identifying potential bottlenecks early in the process. We give special attention to factors such as adaptability when user base increases or information volume grows, maintainability along time, providing dynamically scalable software architectures, enforcing data security from the ground up, and ensuring transactions are processed within required timeframes to avoid revenue loss.

- **Data Integration:** Creating a scalable Enterprise Data Refinery that can pull and consolidate massive amounts of data from heterogeneous systems is not an easy task. We provide development services over multiple tools, languages and platforms in order to create data pipelines and workflows with high standards of availability, performance and security that will pull, cleanse, enrich and consolidate your company's data.
- **Data Visualization:** Well-designed data visualization and dashboards extend beyond current status and indicators, and synthesize complex sets of data into key views, charts and graphs, revealing results in ways that common tools and spreadsheets cannot. The functionality to drill data down and to integrate the view with statistics and business intelligence tools, further the end users' ability to glean insights from masses of numbers. We enable users to engage in an interactive and more relevant conversation with their data, allowing users to explore the unknown, navigate the data and discover hidden patterns and trends on their own.
- **Blockchain:** With Blockchain technologies, we focus on helping our customers resolve trust related problems and inefficiencies. We provide research and development services over multiple blockchains (Ethereum, Bitcoin, Hyperledger, etc.) and also over several decentralized storage systems. We are focused on understanding the customer's business and finding how a blockchain can be leveraged to solve a problem.

Internet of Things: Connecting the physical world

Our Internet of Things Studio offers technology solutions for the current device ecosystem and additional applications for the internet of things.

We help our customers develop their new product ideas and gather information about behavior, activities and sensor-collected data, and then process all the information to develop new services.

The portfolio of services we provide through the Studio includes:

- **IOT Experiences:** Our experience in development and open source tools position us with the experience needed to handle new digital connected journeys based on current technology. Our engineers are ready to integrate the next generation of devices.
- **Platforms:** Our platforms provide interaction and feedback to and from devices and highly scalable platforms and real time analysis to respond to different scenarios. All of the data produced by wearables and IoT enabled devices can be collected, stored and processed on the appropriate data platform. This enables our customers to extract valuable knowledge and insights by applying the right Big Data strategy and enabling intelligent interactions.
- **Hardware integration:** We assist customers with the connection between sensors and backend services through devices or hardware. Our team can handle different approaches ranging from custom made hardware to integration with third party providers.
- **IoT Consultancy:** We help our clients by researching, consulting and advising based in our core expertise in product engineering and digital transformation.

Digital Content: Managing scalable content

Our Digital Content Studio focuses on developing digital online strategies through the creation of original and customized products and solutions.

We want to empower our clients' businesses by taking care of the complete life-cycle of a digital strategy, from development of user-friendly and appealing content management systems, to the complete go-to-market digital promotion. We also want to work with our clients to develop digital marketing campaigns, learning solutions, content strategies and engaging audiovisual content that supports their goals.

The portfolio of services we provide through the Studio includes:

- **Content Management Systems:** We help our clients deliver an excellent digital experience through the use of platforms. We understand that our clients' content must reach to the right people on the right devices at the right times.
- **E-Learning:** Through our expertise in innovation, state-of-the-art technology and educational content production we deliver engaging experiences to enhance the process of learning.
- **Digital Marketing:** We provide services to develop digital online strategies focusing on empowering our clients' businesses by creating and implementing original and customized online marketing solutions.
- **Video Content Production:** We are able to bring ideas to life by creating amazing videos for business and brands, combining agility and quality to help our clients achieve their goals.
- **OTT:** We are experts in helping customers monetize video through the design, development, launch, and management of video applications across a myriad of consumer devices and platforms. Billions of videos have been played through the experiences we've launched.

Lastly, our foundation studios include:

Cloud Ops: *Delivering products faster*

Our Cloud Ops Studio combines some of the leading cloud technologies, continuous integration and continuous delivery practices with our capabilities to facilitate new and more efficient ways of doing business.

Cloud and Dev Ops are independent but mutually reinforcing strategies for delivering business value. Cloud and Dev Ops evolved in response to three fundamental transformations. First, we are transitioning from a product economy to a service economy. Second, the business environment demands that companies shift their focus from stability and efficiency to agility and innovation. They need to increase delivery frequency and continue their service evolution. Third, the digital dimension is filling the physical dimension.

The portfolio of services we provide through our Cloud Ops Studio includes:

- **Cloud:** From roadmap definition to managed services, we can support our clients' cloud journey. Working with cloud platforms since 2009, we developed the expertise and framework to deliver consultancy services for cloud adoption strategy, application transformation, disaster recovery definition and ongoing support. Our main goal is enabling IT agility with pragmatism that is fully aligned with each client's core business leveraging Amazon Web Services, Microsoft Azure, Google Compute Platform and OpenStack (including, IaaS, Containers, Serverless technologies among others).
- **Devops:** We utilize Dev Ops in our clients' development cycles to enable continuous integration and continuous deployment of their products, allowing production updates several times a day rather than once every few months. This practice also allows improvements in the overall product cycle as it accelerates acceptance testing, and enables business owners to see what the teams are producing in real time, delivering new products and features with a faster time to market.
- **Cloud Native Patrol:** Our Cloud Native Patrol assists our clients to accelerate and support complex cloud native projects. The cloud ecosystem is becoming very complex, and cloud providers continue to innovate by adding new tools while enriching existing ones. The same is happening with the whole cloud native landscape (orchestration, service discovery, containers, automation, configuration management, observability, PaaS). Cloud Native Patrol addresses the challenges of supporting the complete ecosystem.

Quality Engineering: *Enabling quality everywhere*

The success of our clients' businesses is directly tied to the quality of complex and highly integrated software. Our clients' software drives opportunities, but it also exposes them to new risks. We believe that only a high quality product has a chance of succeeding in today's market.

Our Quality Engineering Studio focuses on reducing our clients' business risks. We provide a comprehensive suite of innovative and robust testing services that ensure high-quality products to meet the needs of demanding, technology-avid users. Cutting edge quality strategies increase test efficiency, decrease time to market and reduce the risks inherent in producing challenging digital journeys.

Our "round the clock" approach leverages the close-knit nature of quality assurance across geographies and time-zones to achieve continuous testing. This approach aligns with build schedules to utilize the onshore, nearshore and offshore teams to their maximum potential.

The portfolio of services we provide through our Quality Engineering Studio includes:

- **Functional Testing:** We offer comprehensive quality assurance services to ensure that the final system/service delivered to our clients meets and exceeds their business requirements. Our quality control analysts are involved in the software development process from the start of each project, helping clients identify the needs of their audience and prepare for accurate targeting suitability of the products we will be creating together.
- **Load & Performance Testing:** Measuring and assessing the performance of widely used global sites and applications is a technically challenging and multidisciplinary effort. A comprehensive test strategy needs to consider a broad, real life scenario and needs to analyze each product as it will ultimately run. Validations include responsiveness, throughput, scalability, reliability and resource usage. Our practice includes stress testing, load testing and performance testing.
- **Mobile Testing:** Supporting multiple devices and platforms, and planning for production monitoring approaches, is necessary to achieve end-to-end quality. We utilize compatibility testing, responsive design testing, test automation and acceptance testing among other practices.
- **Test Automation:** We have deep expertise in providing test automation services and developing test automation solutions and frameworks. We believe test automation is a key testing practice to increase test efficiency, reduce time to market and limit human error inherent with manual testing. Test automation is preparing to efficiently handle future requests through smoke testing, regression testing, integration testing, services testing and other automated processes.

UI Engineering: Building Digital products

We specialize in building the next generation of User Interface ("UI") digital products leveraging the latest technologies and architectures, multi-device techniques, big-scale applications, component based systems, intelligent user interfaces and the latest trends in user experience.

By providing a set of UI practices and technologies, we create engaging products through interactive interfaces across multiple channels and devices, independent of platforms and delivering the same experience in a frictionless way. Those interfaces are aware of users, from context to context, device to device and act proactively to make the experience simpler, leaner, faster and suggesting new behaviors based on interactions. We deliver leading digital products for users, making use of tools, frameworks and components, providing a single architecture and codebase with the right functionality in any platform.

The portfolio of services we provide through the Studio is focused on the integrated delivery of:

- **Large Scale Web Applications:** Omnichannel solutions are needed to power digital transformations. This is done by building responsive and scalable web applications following different approaches, from single page applications to server side rendered applications with a loosely coupled, modular, component based architecture, mobile-first and SEO friendly techniques among other best practices.
- **Hybrid & Cross-Compiled Development:** We create downloadable applications using cutting-edge technologies with access to hardware features that run in multiple native platforms using a combination of JavaScript frameworks. This allow companies to face omni-channel challenges by using hybrid strategies giving support to mobile devices, kiosks, POS, and others, through a single codebase.

- **Accessibility:** Accessibility considerations need to be built into the everyday practices across the full web product life-cycle from conception and specification through development and delivery. We have the required expertise to develop an accessibility compliant application according to applicable regulations.

Scalable Platforms: *Supporting reliable products*

Scalable Platforms have become extremely important in today's digitally connected environment. We provide the architectural base to accelerate omni-channel strategies, improve internal processes and build consistent cross-channel customer experiences to support reliable products.

To enable digital products through a robust architecture, we apply our best practices and patterns on the design of a back-end ecosystem, which allows our clients to accelerate their businesses in an agile way. We have broad experience providing back-end solutions that support scalability, security, availability, performance, quality and high adaptability to internal and external integrations. We focus on complex architecture modeling, microservices and API management strategies to accelerate the digital transformation by providing capabilities that businesses need in order to bring systems together, secure integrations, deliver improved customer experiences and capitalize on new opportunities.

The portfolio of services we provide through the Studio is focused on the integrated delivery of:

- **API Management:** In a world where multiple channels are facing different solutions in terms of communications, APIs are powering digital transformations and orchestrating across these channels in terms of technologies and industries. We help enterprises embrace an API-centric approach to grow their digital businesses and seamless experiences.
- **Microservices:** We evolve monolithic architectures to a new architectural style that structures an application as a collection of loosely coupled services, organized around business capabilities. The microservices architecture enables the continuous delivery/deployment of large, complex applications. It also empowers organizations to evolve its technology stack fostering an evolutionary model to be ready for new innovative challenges in the future.
- **Complex Architecture Modeling:** To manage these complex product intricacies in an agile manner, we apply our extensive experience working with best practices, methodologies and techniques, such as domain driven design, hexagonal, onion, reactive architectures and continuous delivery to handle business complexity.

Continuous Evolution: *Making evolution happen*

The Continuous Evolution Studio focuses on evolving existing applications and helping our clients to improve the value of their software over time by aligning business needs with a mix of traditional techniques and new market trends.

Every piece of software built meets a business need for which it was intended, but those needs are not static. Software evolution is a key to improving value over time, and having the right partner will pave the way to achieving success. As new trends and technologies arise, customer behavior changes and market needs must quickly adapt. We retrofit innovation into existing products in order to create continuous engagement among users. We provide a new experience with multidisciplinary teams specialized in software evolution and world-class operations designed to support any kind of application after implementation is complete. Our teams ensure quality and efficiency while bringing innovation, optimization, performance improvement, and constant evolution to their products.

The portfolio of services we provide through the Studio includes:

- **Software Archaeology:** Taking over of a product that has had a long life cycle can be challenging without access to the appropriate documentation or team members. Software Archaeology is our way to take control of any software solution, in any condition, at any moment, without a long, hard or expensive process. By completing a systematic study of remaining material evidence, such as code, tests and documentation recovered, we can gain a clear understanding of the software, as well as the context with which it operates. This enables us to outline a proper plan and roadmap for the team that will work on it.

- **IT Service Management:** Our experience with Information Technology Infrastructure Library ("ITIL") helps us cover a full cycle of continuous improvement by carrying out an assessment of the organization, and subsequently delivering recommendations for implementation, as well as solutions that enable supporting areas to satisfy the company's demand. Managing an internal service desk might not be optimal for most companies, we provide a single point of contact service composed by multidisciplinary teams with specialized processes based on ITIL best practices and focused on ensuring the continuity of the ongoing operation.
- **Software Evolution:** Our takeover framework provides a robust set of tools and processes that our teams use in order to gain ownership of the product they will be working on. Through a detailed assessment, we are able to understand the current situation and define a roadmap to achieve a controlled execution phase. Then, we introduce new market trends, technologies and innovative solutions to existing products.

Our Studio model allows us to optimize our expertise in emerging technologies and related market trends for our clients across a variety of industries.

Services over Platforms

Our experience building software products allowed us to put together a set of platforms designed to help create Digital Journeys in an agile and innovative manner. These products have the flexibility to adapt to the client's needs as we provide microservices to complement them.

StarMeUp OS

StarMeUp OS is an operating system made up of smart applications that assist organizations with their digital transformations. The goal of this operating system is to help employees overcome inherently human limitations and create a space where they can have more meaningful interactions, generating a richer experience and empowering employees to make even more significant contributions. StarMeUp OS is comprised of five solutions:

StarMeUp: A peer-to-peer recognition platform that strengthens the corporate culture and reinforces organizational values, while providing valuable insights in real time, such as identifying positive influencers and a better view into organizational network dynamics.

BetterMe: Employees can share real-time feedback with anyone else in the organization. It provides an ongoing view of performance and continual opportunities for improvement.

BeThere: By sharing photos of significant moments and events, employees can stay connected and informed in an engaging way, no matter where they are in the world.

TakePart: More actively include employees in the organizational transformation by creating a space for them to suggest, and vote, on new ideas, that lead to more dynamic organizational changes.

BriefMe: A platform ideal for communications teams to get the most critical information to employees at the right time through strategically located screens.

Signal

It enables media companies to reach and engage customers across every screen. It allows them to manage and monetize Live and VOD content.

I AM AT

It combines social media, gaming strategies, mobile technologies, Big Data and more to augment the experiences before, during & after a touch point with the consumer. This product offers organizations the possibility to rapidly create a mobile experience for their users.

ACAMICA

In 2016, we invested in ACAMICA, an e-learning platform for global companies to run online and personalized academies and private training modules, with an emphasis on user experience and social interactions.

Our Delivery Model

As of December 31, 2017, we provided our services through a network of 37 delivery centers in 30 cities throughout twelve countries. Our delivery locations are in United States (San Francisco, New York, Seattle, Raleigh, Chicago and Dallas), Argentina (Buenos Aires, Tandil, Rosario, Tucumán, Córdoba, Resistencia, Bahía Blanca, Mendoza, Mar del Plata and La Plata), Uruguay (Montevideo), Colombia (Bogotá and Medellín), Brazil (São Paulo), Peru (Lima), Chile (Santiago), México (México City), India (Pune and Bangalore), Spain (Madrid) and United Kingdom (London). We also have client management locations in the United States (San Francisco, New York, Boston and Miami), Brazil (São Paulo), Colombia (Bogotá), Uruguay (Montevideo), Argentina (Buenos Aires) and the United Kingdom (London). The main administrative offices of our principal subsidiary (which also include a delivery center) are located in Buenos Aires. Our principal executive office is located in Luxembourg. All of our facilities (with the exceptions of Tucumán and Bahía Blanca) are leased. We also have two offices under construction in Buenos Aires and La Plata. Our cultural affinity with our clients enables increased interaction that creates close client relationships, increased responsiveness and more efficient delivery of our solutions. As we grow and expand our organization, we will continue diversifying our footprint by expanding into additional locations globally.

We believe our presence in many countries creates a key competitive advantage by allowing us to benefit from the abundance of high-quality talent in the region, cultural similarities and geographic proximity to our clients.

Availability of High-Quality Talent

We believe that Latin America has emerged as an attractive geographic region from which to deliver a combination of engineering, design, and innovation capabilities for enterprises seeking to leverage emerging technologies. Latin America has an abundant skilled IT talent pool. According to the Science and Technology Indicator Network (Red de Indicadores de Ciencia y Tecnología), over 315,000 engineering and technology students have graduated annually from 2011 – 2015 from universities in Latin America and the Caribbean region. Latin America's talent pool (including Mexico, Brazil, Argentina, Colombia and Uruguay) is composed of approximately 1,000,000 professionals according to different sources, such as SmartPlanet and Nearshore Americas. This labor pool remains relatively untapped compared to other regions such as the United States, Central and Eastern Europe and China. The region's professionals possess a breadth of skills that is optimally suited for providing technology services at competitive rates. Moreover, Argentina and Brazil have been in the top ten of the Gunn Report's Global Index of Creative Excellence in Advertising for the last 16 years. In addition, institutions of higher education in the region offer rigorous academic programs to develop professionals with technical expertise who are competitive on a global scale. Furthermore, Latin America has a significant number of individuals who speak multiple languages, including English, Spanish, Portuguese, Italian, German and French, providing a distinct advantage in delivering engineering, design and innovation services to key markets in the United States and Europe.

India offers significant graduate talent. According to the Strategic Review 2016 of The National Association of Software and Services Companies (NASSCOM), the Indian IT-BPM Industry currently employs about 3.7 million. In terms of students, more than 5 million students graduate every year, and almost 15% of these graduates are considered employable by Tier 1/Tier 2 companies.

Government Support and Incentives

Software companies with operations in Argentina benefit from the Software Promotion Law. Originally enacted in 2004 and extended in 2011 for another five years until 2019, the Software Promotion Law established a number of incentives to promote Argentine enterprises engaged in the design, development and production of software. These incentives include:

- a ten-year fiscal stability benefit, pursuant to which a company's aggregate national tax liability will not be increased from the date it is accepted into the program until the expiration of that ten-year period;
- a 60% reduction of a company's corporate income tax liability during each fiscal period (as applied to income from promoted software activities);
- a non-transferable tax credit for up to 70% of certain employer-paid social security taxes made annually, which may be offset against value-added tax liabilities. In 2011, the Software Promotion Law was amended to permit the tax credit to be applied to reduce corporate income tax liability by a percentage not greater than the company's declared percentage of exports; and
- an exclusion from any restriction on import payments related to hardware and IT components.

Since 2006, when they were notified by the Argentine government of their inclusion in the promotion regime, our Argentine operating subsidiaries, Sistemas Globales S.A. and IAFH Global S.A., have benefited from a 60% reduction in their corporate income tax rate and a tax credit against value-added tax liability of 70% of amounts paid annually for certain social security taxes under the Software Promotion Law as originally enacted in 2004. See "— Regulatory Overview — Argentine Taxation — Software Promotion Law", "Risk Factors — Risks Related to Our Business and Industry — If the current effective income tax rate payable by us in any country in which we operate is increased or if we lose any country-specific tax benefits, then our financial condition and results of operations may be adversely affected" and "Operating and Financial Review and Prospects — Operating Results — Certain Income Statement Line Items — Income Tax Expense."

Our subsidiary in Uruguay, Sistemas Globales Uruguay S.A., which is situated in a tax-free zone, benefits from a 0% income tax rate and an exemption from value-added tax.

Additionally, services provided by Difier are exempted from income tax in Uruguay. The exemption applies to software development services as long as they are exported and utilized abroad.

In India, under the Special Economic Zones Act of 2005, the services provided by export-oriented companies within Special Economic Zones (each, an "SEZ") are eligible for a deduction of 100% of the profits or gains derived from the export of services for the first five years from the financial year in which the company commenced the provision of services and 50% of such profits or gains for the five years thereafter. Companies must meet the conditions under Section 10AA of Income Tax Act to be eligible for the benefit. Other tax benefits are also available for registered SEZ companies. Our Indian subsidiary is subject to corporate income tax at the rate of 34.61%, including surcharges. Our Indian subsidiary is located in an SEZ and has completed the SEZ registration process. Consequently, we expect to start applying the income tax benefit in the second half of 2018. If the Indian government changes its policies after our Indian subsidiary obtains registration in an SEZ, our business, results of operations and financial condition may be adversely affected. With the growth of our business in an SEZ, our Indian subsidiary may be required to compute its tax liability under Minimum Alternate Tax ("MAT") in future years at the current rate of approximately 21.34%, including surcharges, as its tax liability under the general tax provisions may be lower compared to the MAT liability.

Methodologies and Tools

Effectively delivering the innovative software solutions that we offer requires highly evolved methodologies and tools. Since inception, we have invested significant resources into developing a proprietary suite of internal applications and tools to assist us in developing solutions for our clients and manage all aspects of our delivery process. These applications and tools are designed to promote transparency, and knowledge-sharing, enhance coordination and cooperation, reduce risks such as security breaches and cost overruns, and provide control as well as visibility across all stages of the project lifecycle, for both our clients and us. Our key methodologies and tools are described below.

Agile Development Methodologies

We have created a software product design and development model, known as Agile Pods. This model aligns business and technology teams and is driven by a culture of self-regulated teamwork and collaboration across skills, partners and country borders.

Leveraged across divisions, Agile Pods are dedicated to mature emerging technologies and market trends, and provide a constant influx of mature talent and solutions that create intellectual property for our clients. They are self-organized teams that work to meet creative and production goals, make technology decisions and reduce risk. These teams are fully responsible for creating solutions, building and sustaining features, products or platforms.

In addition, savings are delivered to clients due to sustained productivity boosts as the Agile Pods begin to operate at a higher maturity level. We ensure consistency, accountability and replicability by having Agile Pods follow a well defined set of maturity criteria. Maturity models describe levels of growth and development as follows: Maturity, Quality, Velocity, and Autonomy. Each level acts as a foundation for the next and lays out a path for learning and growth. As Agile Pods evolve from one level to the next, they are equipped with the understanding and tools to accomplish goals more effectively.

Associated metrics guide improvement efforts and generate quantitative and qualitative insights to inform iterative design and planning decisions.

Quality Management System

We have developed and implemented a quality management system in order to document our best business practices, satisfy the requirements and expectations of our clients and improve the management of our projects. We believe that continuous process improvement produces better software solutions, which enhances our clients' satisfaction and adds value to their business.

Our quality management system is certified under the requirements of the international standard ISO 9001:2015, the CMMI Maturity Level 3 process areas (which indicates that processes are well characterized and understood, and are described in company standards, procedures, tools and methods) and PMI by implementing the following practices:

- Assuring that quality objectives of the organization are fulfilled;
- Defining standard processes, assets and guidelines to be followed by our project teams from the earliest stages of the project life cycle;
- Continuously evaluating the status of processes in order to identify process improvements or define new processes if needed;
- Objectively verifying adherence of services and activities to organizational processes, standards and requirements;
- Providing support and training regarding the quality management system to all employees to achieve a culture that embraces quality standards;
- Informing related groups and individuals about tasks and results related to quality control improvement;
- Raising issues not resolvable within the project to upper management for resolution; and
- Periodically gathering and analyzing feedback from our clients regarding our services to learn when we have met expectations and where there is room for improvement.

Since 2013, Globant certified ISO 27001, a standard that provides a model for establishing, implementing, operating, monitoring, reviewing, maintaining, and improving an information security management system (ISMS). The process of certifying ISO 27001 ensures that ISMS is under explicit management control. In 2016, we migrated successfully to the ISO 27001:2013.

Glow

In order to manage our talent base, we have developed a proprietary software application called Glow. Glow is the central repository for all information relating to our Globers, including academic credentials, industry and technology expertise, work experience, past and pending project assignments, career aspirations, and performance assessments, among others. Every Globber can access Glow and regularly update his or her technical skills.

We use Glow as a management tool to match open positions on Studio projects with available Globers, which allows us to staff project teams rapidly and with the optimal blend of industry, technology and project experience, while also achieving efficient utilization of our resources. We believe, based on management's experience in the industry, that we are one of few companies in our industry to employ such a tool for this purpose. Accordingly, we believe Glow provides us with a significant competitive advantage.

Clients

At Globant, we focus on delivering innovative and high value-added solutions that drive revenues and brand awareness for our clients. We believe that our approach deepens our relationships and leads to additional revenue opportunities. We also target new clients by showcasing our engineering, design and innovation capabilities along with our deep understanding of digital journeys, emerging technologies and related market trends.

Our clients include primarily medium- to large-sized companies based in the United States, Europe, Asia and Latin America operating in a broad range of industries including Media and Entertainment, Professional Services, Technology and Telecommunications, Travel and Hospitality, Banks, Financial Services and Insurance, and Consumer, Retail and Manufacturing. We believe clients choose us based on our ability to understand their business and help them drive revenues, as well as our innovative and high value-added business proposals, tailored Studio-based solutions, and our reputation for high quality execution. We have been able to grow with and retain our clients by merging their industry knowledge with our expertise in the latest market trends to deliver tangible business value.

We typically enter into a master services agreement (or MSA) with our clients, which provides a framework for services and a statement of work to define the scope, timing, pricing terms and performance criteria of each individual engagement under the MSA. We generate 45% of our revenue from long-term contracts with terms greater than 24 months.

During 2017, 2016 and 2015, our ten largest clients based on revenues accounted for 41.9%, 46.5% and 46.7% of our revenues, respectively. Our top client for the years ended December 31, 2017, 2016 and 2015, Walt Disney Parks and Resorts Online in 2017 and 2015, and Southwest Airlines Co. in 2016, accounted for 10.2%, 12.3% and 9.7% of our revenues, respectively. Some of our major clients in 2017 included Google, Electronic Arts, Southwest Airlines Co. and Walt Disney Parks and Resorts Online, each of which was among our top ten clients by revenues for at least one Studio.

The following table sets forth the amount and percentage of our revenues for the years presented by client location:

	Year ended December 31,								
	2017		2016		2015				
	(in thousands, except percentages)								
By Geography									
North America	\$	325,614	78.8%	\$	260,923	80.8%	\$	212,412	83.7%
Europe		38,484	9.3%		29,306	9.1%		13,508	5.3%
Asia		700	0.2%		1,265	0.4%		1,434	0.6%
Latin America and other		48,641	11.8%		31,362	9.7%		26,442	10.4%
Revenues	\$	413,439	100.0%	\$	322,856	100.0%	\$	253,796	100.0%

The following table shows the distribution of our clients by revenues for the years presented:

	Year ended December 31,		
	2017	2016	2015
Over \$5 Million	18	11	10
\$1 - \$5 Million	64	49	41
\$0.5 - \$1 Million	45	41	30
\$0.1 - \$0.5 Million	82	88	100
Less than \$0.1 Million	147	151	163
Total Clients	356	340	344

Sales and Marketing

Our growth strategy is based on four pillars: (i) leveraging our broad expertise; (ii) growing within existing clients; (iii) acquiring new clients; and (iv) pursuing strategic acquisitions. Our expertise and Studio approach help us expand the portfolio and practices we offer to our clients. Our acquisitions are pursued with the aim of fulfilling strategic goals, such as growing into a new geography (e.g., Nextive, TerraForum, BlueStar Peru, Clarice) or the expansion of specializations (e.g. Accendra, Openware, Huddle, DynafloWS, WAE, L4, Difier, Ratio, PointSource).

Under our multi-pronged, integrated sales and marketing strategy, our senior management, sales executives, sales managers, account managers and engagement managers work collaboratively to target, acquire and retain new clients and expand our work for existing clients. Our sales and marketing team, currently comprised of 77 sales personnel and 13 marketing personnel, has broad geographic coverage with commercial offices located in Buenos Aires, Bogotá, Montevideo, São Paulo, London, Madrid, Boston, New York, Miami and San Francisco.

Beyond leveraging our broad expertise, our sales strategy is driven by three fundamentals: retain, develop and acquire ("RDA"). The retention ("R") component is focused on maintaining our wallet share with existing accounts through flawless execution on our engagements. The development ("D") component emphasizes developing existing client relationships by significantly expanding our wallet share and capturing business from our competitors. The acquisition ("A") component targets new client accounts. Through our RDA strategy, as well as marketing and branding events, we are able to acquire new or expand existing engagements in our large and growing addressable market.

New Clients

We seek to create relationships with strategic clients through existing client referrals or through our multi-tiered approach. Our approach begins by identifying industries and geographic locations with solid growth potential. Once potential clients are identified, we seek to engage the market-facing management personnel of those companies instead of their IT divisions, which allows us to get a better understanding of the prospect's business model before engaging with its IT personnel. The focus on an enterprise's revenue drivers allows us to highlight the value of our services in meeting our client's business needs, thereby differentiating us.

Our account sales teams are made up of sales executives and sales managers, and follow specific guidelines for managing opportunities when contacting potential new clients. Before a sales team approaches a prospective client, we gather significant intelligence and insight into the client's potential needs, creating a specific value proposition for discussion during the engagement process. Additional opportunities resulting from the planned targeted engagement are gathered and tracked. Once an appropriate opportunity has been identified and confirmed with the client, our sales team performs account and competition mapping and enlists internal industry and subject matter experts as well as pre-sales engineers from all of the participating Studios. We then generate proposals to present to and negotiate with the client. Once we have secured the engagement, our sales executives work closely with the Globant leadership team, partners and subject matter experts from our Studios to ensure that we exceed our new client's expectations.

From time to time, we use ideation sessions and discovery engagements in our pre-sales process. During the discovery engagements we meet with clients to discuss their goals and develop creative solutions. The discovery engagement sessions help us discover our clients' main objectives, even if those objectives are not explicitly stated. These sessions are critical in helping us to offer solutions that will adapt to our clients' needs and wishes. This allows us to showcase our expertise in emerging technologies to the prospective client while also allowing us to generate a significant number of possible future client opportunities.

Existing Clients

Once we have established the client relationship, we are focused on driving future growth through increased client loyalty and retention. We leverage our historical successes with existing clients and our relationships with our clients' key decision-makers to cross-sell additional services, thereby expanding the scope of our engagements to other departments within our clients' organizations. We seek to increase our revenues from existing clients through our account managers, technical directors, program managers, leadership team, Studio partners, and subject matter experts.

Since 2016, we introduced a new model that intends to reshape our go-to-market strategy to scale our company in the coming years, called 50 Squared. The main goal of this approach is to focus our team on the top 50 high potential accounts that have the capacity to grow exponentially over time. To do so, we have appointed our most senior people from Sales, Technology and Operations to lead these teams. This account focus has become the most important pillar of our go-to-market strategy and every account within Globant now has the goal to become part of this program.

We undertake periodic reviews to identify existing clients that we believe are of strategic importance based on, among other things, the amount of revenue we generate from the client, as well as the growth potential and brand recognition that the client provides.

Marketing

We believe that our reputation as a premium provider of digital journeys generates additional business for us from inbound requests, referrals and requests for proposals. In addition, we engage in a number of initiatives that foster our brand and promote our expertise. We work to develop initiatives to help our customers stay relevant within their industries by creating and publishing research, organizing SME gatherings, and participating in webinars and conferences, among other initiatives.

As of December 31, 2017, our marketing department, Stay Relevant, is based in Argentina and the United States. This team promotes our brand through a variety of channels, including the following:

- **Relevant content:** Our Stay Relevant team produces client and industry research with the intention of sharing information on business drivers from trusted sources, highlighting upcoming industry trends, and enabling strategic thinking.
- **Thought Leadership and events:** Our Stay Relevant team organizes and participates in technology- and innovation-focused events in the United States, the United Kingdom and Latin America to enhance our position with respect to vanguard technologies and trends. Participation includes webinars, mobile road shows and breakfast discussions with our "gurus." Every year, we organize Con.Verge, our main conference centered around the future of design and technology. In addition, members of our management team have been featured as speakers at events such as South by Southwest, Latam Tech Forum, WPP DAB, Ecommerce Day, IoT Emerge, Adobe Summit, Acquia Engage, EY Strategic Growth Forum, Council of the Americas, Wharton Latin America Conference, Agile Business Conference, CSO Summit, Innorribe, and at universities such as the Massachusetts Institute of Technology, Stanford University, New York University and the University of California, Los Angeles.

- **Playground:** Our "Playground" is an innovative space where our digital journeys are showcased in real time. Guests can explore, touch, play and discover insights about each journey. It also delivers an atmosphere to build ideas, transforming them into prototypes that can be explored.
- **Awareness:** Our marketing strategy includes brand positioning through targeted news coverage in print media and trade publications in the United States and Latin America, such as Bloomberg, Dow Jones, the New York Times, TechCrunch, and Nearshore Americas. We also benefit from coverage of our company in reports prepared by industry analysts, such as Gartner, IDC and HFS Research, McKinsey & Company and other third-party industry observers. Finally, our company has been the subject of case studies on entrepreneurship by business schools at universities such as Stanford University, Massachusetts Institute of Technology and Harvard University.

Competition

The markets in which we compete are changing rapidly. We face competition from both global IT services providers as well as those based in the United States. We believe that the principal competitive factors in our business include: the ability to innovate; technical expertise and industry knowledge; end-to-end solution offerings; reputation and track record for high-quality and on-time delivery of work; effective employee recruiting; training and retention; responsiveness to clients' business needs; scale; financial stability; and price.

We face competition primarily from:

- large global consulting and outsourcing firms, such as Accenture, Sapient, Thoughtworks and Epam;
- digital agencies and design firms such as Sapient, Razorfish, RGA and Ideo;
- traditional technology outsourcing IT services providers, such as Cognizant Technology Solutions, EPAM Systems, GlobalLogic, Aricent, Infosys Technologies, Mindtree HCL, Tata, Wipro and Luxoft; and
- in-house product development departments of our clients and potential clients.

We believe that our focus on creating software that appeals and connect emotionally with millions of consumers positions us well to compete effectively in the future. However, some of our present and potential competitors may have substantially greater financial, marketing or technical resources; may be able to respond more quickly to emerging technologies or processes and changes in client demands; may be able to devote greater resources towards the development, promotion and sale of their services than we can; and may make strategic acquisitions or establish cooperative relationships among themselves or with third parties that increase their ability to address the needs of our clients.

Sustainability

We believe that sustainable development of our organization is critical in order to enhance our competitive position in building the new way of being digital. In other words, we look forward to social and environmental results, in addition to financial metrics.

For this reason, besides working internally with Globers, we focus on community involvement, interacting with society and committing ourselves to meet their needs. Three pillars drive our commitment: education for job placement, technology for the community and entrepreneurship promotion.

Intellectual Property

Our intellectual property rights are important to our business. We rely on a combination of intellectual property laws, trade secrets, confidentiality procedures and contractual provisions to protect the investment we make in research and development. We require our employees, independent contractors, vendors and clients to enter into written confidentiality agreements upon the commencement of their relationships with us.

We customarily enter into nondisclosure agreements with our clients with respect to the use of their software systems and platforms. Our clients usually own the intellectual property in the software solutions we deliver. Furthermore, we usually grant a perpetual, worldwide, royalty-free, nonexclusive, transferable and non-revocable license to our clients to use our preexisting intellectual property, but only to the extent necessary in order to use the software solutions we deliver.

We have developed a number of proprietary internal tools that we use to manage our projects, build applications in specific software technologies, and assess software vulnerability. These tools include Glow, Nails, and our Service Over Platforms (SoP).

Our registered intellectual property consists of the trademark "Globant" (which is registered in twelve jurisdictions, including the United States and Argentina), certain other trademarks related to our service offerings and products, and three software patents granted in the United States in favor of our United States subsidiary Globant, LLC. We do not believe that any individual registered intellectual property right, other than our rights in our name and logo, is material to our business.

Facilities and Infrastructure

As of December 31, 2017, we provided our services through a network of 37 offices in 30 cities throughout twelve countries. Our delivery locations are in United States (San Francisco, New York, Seattle, Raleigh, Chicago and Dallas), Argentina (Buenos Aires, Tandil, Rosario, Tucumán, Córdoba, Resistencia, Bahía Blanca, Mendoza, Mar del Plata and La Plata), Uruguay (Montevideo), Colombia (Bogotá and Medellín), Brazil (São Paulo), Peru (Lima), Chile (Santiago), México (México City), India (Pune and Bangalore), Spain (Madrid) and United Kingdom (London). We also have client management locations in the United States (San Francisco, New York, Boston and Miami), Brazil (São Paulo), Colombia (Bogotá), Uruguay (Montevideo), Argentina (Buenos Aires) and the United Kingdom (London). The main administrative offices of our principal subsidiary (which also include a delivery center) are located in Buenos Aires. Our principal executive office is located in Luxembourg. All of our facilities (with the exceptions of Tucumán and Bahía Blanca) are leased. We also have two offices under construction in Buenos Aires and La Plata.

The table below breaks down our locations by country and city and provides the aggregate square footage of our locations in each city as of December 31, 2017.

Country	City	Number of Offices	Square Feet
Argentina	Bahía Blanca	1	6,986
Argentina	Buenos Aires	3	111,191
Argentina	Córdoba	2	37,200
Argentina	La Plata	1	12,637
Argentina	Mar del Plata	1	20,451
Argentina	Mendoza	1	3,229
Argentina	Resistencia	1	9,688
Argentina	Rosario	2	20,678
Argentina	Tandil	2	11,765
Argentina	Tucumán	1	21,689
Brazil	Sao Paulo	1	2,601
Chile	Santiago	1	8,245
Colombia	Bogotá	2	85,810
Colombia	Medellín	1	39,794
India	Bangalore	1	4,844
India	Pune	2	99,448
UK	London	1	2,756
Mexico	Mexico City	1	44,444
Peru	Lima	1	7,535
Spain	Madrid	1	6,986
United States	Boston	1	124
United States	New York	1	7,707
United States	San Francisco	1	4,844
United States	Seattle	1	26,651
United States	Miami	1	151
United States	Dallas	1	6,771
United States	Chicago	1	2,691
United States	Raleigh	1	27,480
Luxembourg	Luxembourg	1	150
Uruguay	Montevideo	1	26,974
Total		37	661,520

Regulatory Overview

Due to the industry and geographic diversity of our operations and services, our operations are subject to a variety of rules and regulations, and several Latin America countries, the United States, Europe and India federal and state agencies regulate various aspects of our business. See "Risk Factors — Risks Relating to Our Business and Industry — Our business results of operations and financial condition may be adversely affected by the various conflicting and/or onerous legal and regulatory requirements imposed on us by the countries where we operate". If we are not in compliance with applicable legal requirements, we may be subject to civil or criminal penalties and other remedial measures, which could adversely affect our business, financial condition and results of operations."

We benefit from certain tax incentives promulgated by the Argentine, Uruguayan and Indian governments. See "— Our Delivery Model — Government Support and Incentives."

Argentine Taxation

The following is a summary of the material Argentine tax considerations relating to our operations in Argentina and it is based upon laws, regulations, decrees, rulings, income tax conventions (treaties), administrative practice and judicial decisions in effect as of the date of this annual report. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming. Any such changes or interpretations could affect the tax consequences to us, possibly on a retroactive basis, and could alter or modify the statements and conclusions set forth herein. This summary does not purport to be a legal opinion or to address all tax aspects that may be relevant to our operations in Argentina.

Software Promotion Law

The Software Promotion Law sets forth a promotion regime for the software industry that remains in effect until December 31, 2019. On September 16, 2013, the Argentine government published Regulatory Decree No. 1315/2013, which governs the implementation of the Software Promotion Law.

Additionally, Resolution No 177/2010 established that audits, verifications, inspections, controls and evaluations related to the regime of Law No. 25,922, will be supported by the beneficiaries by paying a monthly and annual fee of 7% calculated on the amount of tax benefits.

Pursuant to Section 2 of the Software Promotion Law, Argentine-incorporated companies whose activities are the creation, design, development, production, implementation or adjustment (upgrade) of developed software systems and their associated documents (in accordance with Section 4 of the Software Promotion Law) may participate in the benefits contemplated by this regime provided they meet at least two of the following requirements: (i) proven expenses in software research and development activities; (ii) proven existence of a known quality standard applicable to the products or software processes, or the performance of activities in order to obtain such known standard recognition; or (iii) export of software (as defined in Section 5 of the Software Promotion Law).

As per Section 3 of the Software Promotion Law, Argentine-incorporated companies will be considered beneficiaries of the regime as from the effective date of their registration in the National Registry of Software Producers. Beneficiaries of the promotion regime will benefit from:

- Fiscal stability throughout the period that the promotion regime is in force (i.e., through December 31, 2019 as per Section 1 of the Software Promotion Law). In accordance with Section 7 of the Software Promotion Law, fiscal stability means the right to maintain the aggregate federal tax rate in effect at the time of the beneficiary's registration in the National Registry of Software Producers through December 31, 2019. Such stability does not comprise import or export duties nor export refunds (Section 7 of Regulatory Decree No. 1315/2013). The aggregate federal tax burden included under the fiscal stability benefit is that burden existing on the date of the beneficiary's registration before the applicable registry, in accordance with laws and regulations in force by that time.
- Conversion of up to 70% of certain monthly social security tax (contribution) payments into a tax credit (Section 8 of the Software Promotion Law) during the first year following the beneficiary's registration in the National Registry of Software Producers. After the first year, such percentage will be determined annually by the competent authorities for each beneficiary, depending on the beneficiary's degree of compliance with the regime's requirements (Section 9 of Regulatory Decree No. 1315/2013). This tax credit may not be transferred to third parties. The tax credit can be used to offset the beneficiary's income tax liability only up to certain percentage, determined by the ratio of annual software and computer services exports and the aggregate annual sales resulting from promoted activities declared by the beneficiary (Section 8 of the Software Promotion Law).
- Non applicability of any value-added tax withholding or collection regimes (Section 8 bis of the Software Promotion Law).

- A 60% reduction in the total amount of corporate income tax as applied to income from the activities of creation, design, development, production, implementation or adjustment (upgrade) of developed software systems and their associated documents pursuant to Section 4 of the Software Promotion Law) due in each fiscal year beginning after the date of the beneficiary's registration in the National Registry of Software Producers (Section 9 of the Software Promotion Law, Regulatory Decree No. 1315/2013 and General Resolution No. 3,597). This benefit will be applicable both to Argentine-source and non-Argentine-source income, in the terms set forth by the application authority, but it would not be applicable to foreign source income obtained by permanent establishments held abroad by Argentine residents (Section 13 of Regulatory Decree No. 1315/2013).
- Imports of software products by the beneficiaries are excluded from any kind of present or future restriction on the currency transfers matching the payments for such imports, provided the imported goods are necessary for the software production activities (Section 12 of the Software Promotion Law).

In the event the company does not have a known quality standard applicable to the products or software processes, as per Section 10 of the Software Promotion Law, it will have a three-year period as from its accreditation, to obtain the known standard recognition. Failure to obtain such recognition within such period will subject the company to the sanctions set forth in Section 20 of the Software Promotion Law, which range from temporary suspension to exclusion from the promotion regime and the obligation to return all benefits obtained, as well as permanent prohibition to apply for registration in the National Registry of Software Producers.

Argentine Ministry of Economy approved our subsidiaries as beneficiaries of the Software Promotion Law as following: (i) on October 10, 2006: IAFH Global S.A.; (ii) in January 2006: Huddle Group S.A. and (iii) on April 13, 2007: Sistemas Globales S.A.. As a result, these subsidiaries have enjoyed fiscal stability in their federal tax burden as in effect at the time they were notified of their inclusion in the promotion regime.

The Software Promotion Law was modified during 2011 through Law No. 26,692. Even though all benefits awarded under the Software Promotion Law as originally enacted in 2004 remained in effect, pursuant to Section 10 bis of the Software Promotion Law, IAFH Global S.A., Sistemas Globales and Huddle Group S.A. were obliged to reapply for registration in the National Registry of Software Producers by July 8, 2014 in order to obtain the benefits established in the Software Promotion Law as described above.

Regulatory Decree No. 1315/2013 introduced additional implementing rules, including, among other matters, further clarifications to qualify for the promotion regime and specific requirements to be met in order to remain registered in the National Registry of Software Producers during the years after such registration has taken place. These requirements include, among others, minimum annual revenue, minimum percentage of employees involved in the promoted activities, minimum aggregate amount spent in salaries paid to employees involved in the promoted activities, minimum research and development expenses and the filing of evidence of software-related services exports. In addition, Regulatory Decree No. 1315/2013 states that the 60% reduction in corporate income tax provided under the Software Promotion Law shall only become effective as of the beginning of the fiscal year after the date on which the applicant is accepted for registration in the National Registry of Software Producers. The implementing regulation also provides that upon the formal approval of an applicant's registration in the National Registry of Software Producers, any promotional benefits previously granted to such person under the Software Promotion Law as originally enacted in 2004 shall be extinguished. Finally, Regulatory Decree No. 1315/2013 delegates authority to the Secretary of Industry and AFIP to adopt "complementary and clarifying" regulations in furtherance of the implementation of the Software Promotion Law.

On March 11, 2014, AFIP issued General Resolution No. 3,597, which provides that, as a further prerequisite to participation in the Software Promotion Law, exporters of software and related services must register in a newly established Special Registry of Exporters of Services (*Registro Especial de Exportadores de Servicios*).

According to the abovementioned regulations, on March 14, May 21 and May 28, 2014, our Argentine subsidiaries Huddle Group S.A., IAFH Global S.A. and Sistemas Globales S.A., respectively, were accepted for registration in the Special Registry of Exporters of Services.

On June 25, 2014, our Argentine subsidiaries Huddle Group S.A., IAFH Global S.A. and Sistemas Globales S.A. applied for registration in the National Registry of Software Producers. The Secretary and Subsecretary of Industry issued rulings approving registration in the National Registry of Software Producers of certain of our subsidiaries as follows: (i) Sistemas Globales S.A. on March 18, 2016 and (ii) Huddle Group S.A. and IAFH Global S.A. on April 13, 2015. In each case, the ruling made the effective date of registration retroactive to September 18, 2014 and provided that the benefits enjoyed under the Software Promotion Law as originally enacted were not extinguished until the ruling goes into effect (which have occurred upon its date of publication in the Argentine government's official gazette on before mentioned dates).

On May 7, 2015, Huddle Group S.A. deregistered from the National Registry of Software Producers because it had discontinued activities on January 1, 2015. As a result of the deregistration, Huddle Group S.A. became subject to the general corporate income tax rate, which was 35% for fiscal periods beginning prior to January 1, 2018. For fiscal years beginning on or after January 1, 2018, the general corporate income tax rate is 30%. For fiscal years beginning on or after January 1, 2020, the general corporate income tax rate will be 25%.

Income Tax

The Argentine Income Tax Law No. 20,628, as amended ("ITL"), establishes a federal tax on the worldwide income of Argentine resident individuals, legal entities incorporated in Argentina and Argentine branches of foreign entities. Up to December 31, 2017 the income tax is levied at 35% of taxable net income obtained in Argentina or abroad. As per the ITL, income taxes paid abroad for the conduct of foreign activities may be recognized as a tax credit up to the limit of the increase in the income tax liability derived from the recognition of income obtained abroad. The amount of income subject to tax is calculated according to the regulations of the ITL. Losses incurred during any fiscal year may be carried forward and set off against taxable income obtained during the following five fiscal years. Foreign resident individuals and foreign resident legal entities without a permanent establishment are taxed exclusively on their Argentine source income.

For individuals, income derived from the sale, exchange or other disposition of shares of Argentine corporations by non-Argentine residents would be subject to income tax. Non-Argentine residents will have the option of choosing between applying a 13.5% effective income tax rate over the gross amount or a 15% effective income tax rate over the net amount derived from the transaction.

Individual Argentine residents would be exempt on the income derived from the sale of shares to the extent such participations are publicly traded and/or are authorized for its public offer.

On December 29, 2017, the Argentine government enacted Law No. 27,430, a comprehensive tax reform that became effective on January 1, 2018. Specifically, Law No. 27,430 introduced amendments to income tax (both at corporate and individual levels), value added tax ("VAT"), tax procedural law, criminal tax law, social security contributions, excise tax, tax on fuels and tax on the transfer of real estate.

At a corporate level, the law decreases the corporate income tax rate from 35% to 30% for fiscal years starting January 1, 2018 to December 31, 2019, and to 25% for fiscal years starting January 1, 2020 and onwards.

In the case of individuals, the Law extended the exemption also for foreign beneficiaries on the sale of shares that are publicly traded in stock exchanges under the supervision of the Argentine Securities and Exchange Commission (CNV). It also establishes an exemption for interest income and capital gains on the sale of public bonds (i.e., Government bonds), negotiable obligations (corporate debt bonds) and share certificates issued abroad that represent shares issued by Argentine companies (i.e., ADRs). The exemptions will only apply if the foreign beneficiaries do not reside in and the funds do not arise from "non-cooperating" jurisdictions.

In the case of ADRs, the Law defines their "source" by the location of the original issuer of the shares. However, the tax will not be due if the exemption described in the previous paragraph applies.

The Law establishes an income tax on the indirect transfer of assets located in Argentina. In particular, the tax will be triggered on the sale or transfer by nonresidents of shares or other participations in foreign entities when the following two conditions are met: (i) at least 30% of the value of the foreign entity is derived from assets located in Argentina (at the moment of the sale or during the 12 prior months); and (ii) the participation being transferred represents (at the moment of the sale or during the 12 prior months) at least 10% of the equity of the foreign entity.

The applicable rate will generally be 15% (calculated on the actual net gain or a presumed net gain equal to 90% of the sale price) of the proportional value that corresponds to the Argentine assets. Additional guidance about the calculation mechanisms has not been issued.

The tax on indirect transfers will only apply to participations in foreign entities acquired after the entry into force of the tax reform. In addition, the Law indicates that indirect transfers will not be taxable to the extent it can be proved that the transfer took place within the same economic group, in accordance with requirements to be established by additional regulations.

Payments from Argentina to foreign residents representing an Argentine source of income (i.e., royalties, interest, etc.) are generally subject to income tax withholding levied at different rates depending on the type of payment. Pursuant to the ITL, cross-border royalty payments are generally subject to withholding at a rate of 28%, or 21% if technology not available in Argentina is involved; in both cases the relevant agreement must be registered before INPI. Payments related to software licenses are in general subject to a 31.5% tax withholding rate. In addition, interest payments are generally subject to withholding at a rate of 15.05% if the lender is a bank or financial institution controlled by the respective central bank or similar authority, located in jurisdictions (i) other than those considered as tax havens by Argentine law, or (ii) that have executed exchange information agreements with Argentina, and do not allow, among others, banking or stock market secrecy pursuant to their domestic law, and 35% in all other cases. These rates may be reduced by application of a tax treaty for the avoidance of double taxation between Argentina and the receiving country, including the following:

Argentina and Spain executed a Double Tax Treaty that entered into force on December 23, 2013. Such treaty replaces the previous double taxation treaty between Argentina and Spain that was terminated on July 16, 2012 and applies retroactively from January 1, 2013.

Thus, interest payments, royalty payments and the distribution of dividends from Argentina to Spain will be subject to the withholding rates set forth in the corresponding double taxation treaty.

On May 15, 2015, Argentina and Chile signed a new treaty to avoid double taxation. On September 7, 2016, the Argentine Congress approved the aforementioned treaty, which was published in the Argentine government's official gazette on September 30, 2016 and became effective on January 1, 2017. This treaty replaces the previous double taxation treaty between Argentina and Chile that was terminated on July 13, 2012.

On July 21, 2017, Argentina and Brazil signed an Amendment Protocol to the Double Tax Treaty and its Protocol, which were both signed in Buenos Aires on May 17, 1980. The Amendment Protocol introduces withholding tax rates for interest and royalties and also introduces withholding tax rates on dividends.

On August 23, 2017 entered in force the Double Tax Treaty between Argentina and Mexico. The Agreement was signed on November 4, 2015 in Mexico City, and ratified by Argentina on December 21, 2016 by Law 27,334.

The treaty provides benefits to certain taxpayers by reducing domestic law income tax withholding rates on payments of interest, royalties, technical assistance and capital gains.

On December 27, 2016 the Argentine government's official gazette published Law No. 27,346 that introduce important amendments to the Income Tax Law. The Law creates a new tax levied on "USD Futures Market Trades" to be applied one-time only on the profits obtained by any person. Thus, gross income derived from "positive price differences" arising from the buying or selling of USD Futures Market Trades will be taxed at a 15% tax rate.

Tax on Presumed Minimum Income

This tax applies to assets of Argentine companies. The tax is only applicable if the total value of the assets is above 200,000 Argentine pesos at the end of the company's fiscal year, and is levied at a rate of 1% on the total value of such assets. The amount of the tax paid on presumed minimum income is allowed as a credit toward income tax. Furthermore, to the extent that this tax cannot be credited against normal corporate income tax, it may be carried forward as a credit for the following ten years. Shares and other capital participations in the stock capital of entities subject to the minimum presumed income tax are exempted from the tax on presumed income.

Law No 27,260, published in the Argentine government's official gazette on July 22, 2016, eliminates the Minimum Assumed Income Tax for fiscal years beginning on January 1, 2019.

Value-Added Tax

The value-added tax applies to the sale of goods, the provision of services and importation of goods. Under certain circumstances, services rendered outside of Argentina, which are effectively used or exploited in Argentina, are deemed to be rendered in Argentina and, therefore, subject to value-added tax. The current value-added tax general rate is 21%. Certain sales and imports of goods, such as computers and other hardware, are, however, subject to value-added tax at a lower tax rate of 10.5%. The sale of the shares held in Argentine or foreign companies is not subject to value-added tax.

Law No. 27,346 published in the Argentine government's official gazette on December 27, 2016, modifies the value-added tax law and creates the figure of substitute taxpayer for the payment of the tax corresponding to foreign residents who render services in Argentina.

Substitute taxpayers will assess and pay for value-added tax corresponding to the act, even in the cases in which it is impossible to withhold that tax from the foreign resident. Also, the tax paid will be considered as a tax credit if in favor of the substitute taxpayer.

Tax on Debits and Credits in Bank Accounts

This tax applies to debits and credits from and to Argentine bank accounts and to other transactions that, due to their special nature and characteristics, are similar or could be used in lieu of a bank account. There are certain limited exceptions to the application of this tax. The general tax rate is 0.6% applicable on each debit and/or credit; however there are increased rates of 1.2% and reduced rates of 0.075%. Taxpayers subject to this tax at the 0.6% and 1.2% rates are authorized to a tax credit of the tax paid (a 34% credit of the tax paid on credits levied at the 0.6% tax rate, and a 17% credit of the tax paid on transactions levied at the 1.2% tax rate) against the income tax and minimum presumed income tax. The remaining amount is deductible for income tax purposes.

Personal Assets Tax

Argentine companies are required to pay the personal assets tax corresponding to Argentine resident individuals, foreign individuals and foreign entities for holding shares and other capital participations in such company as of December 31 of each year. The applicable tax rate until December 31, 2015 was 0.5% and, from January 1, 2016, the applicable rate is 0.25% (modification introduced by Law No 27,260). The tax is levied on the equity value (valor patrimonial proporcional) stated in the latest financial statements. Pursuant to the Argentine Personal Assets Tax Law, an Argentine company is entitled to seek reimbursement of such tax paid from the applicable foreign shareholders, including by withholding and/or foreclosing on the shares, or by withholding dividends.

As a result of the terminations of the double taxation treaties in force with Spain and the Republic of Chile, as well as the decision to end the provisional application of the double taxation treaty in force with Switzerland, the exemption from the personal assets tax that was available pursuant to those treaties for shares and other equity interests in local companies owned by Chilean, Spanish or Swiss residents will no longer be applicable after each of the corresponding dates of termination. New double taxation treaties with these countries do not include such an exemption.

Law No. 27,260 introduced benefits for compliant taxpayers that include the exemption of personal assets tax until 2019. Our Argentine subsidiaries Huddle Group S.A., IAFH Global S.A., Sistemas Globales S.A., Dynaflows S.A. and Globers Travel S.A., applied to and were accepted by the AFIP to be eligible of the exemption of personal assets tax in December, 2016 and January, 2017.

Tax on Dividends

Law No. 27,430 introduced the following changes to the taxation of distribution of dividends from Argentine companies, for fiscal years beginning on or after January 1, 2018:

- Dividends from profits obtained before fiscal year 2018 are not subject to any income tax withholding except for the "Equalization Tax". The Equalization Tax is applicable when the dividends distributed are higher than the "net accumulated taxable income" of the immediate previous fiscal period from when the distribution is made. The Law repeals the Equalization Tax for distributions made with income accrued from January 1, 2018.
- Dividends from profits obtained during fiscal years 2018 and 2019 on Argentine shares paid to Argentine resident individuals and/or non-residents, or Foreign Beneficiaries, are subject to a 7% income tax withholding on the amount of such dividends, or the Dividend Tax.
- The Tax Rate on dividends from profits obtained during fiscal year 2020 and onward increased to 13%.

Turnover Tax

Turnover tax is a local tax levied on gross income. Each of the provinces and the City of Buenos Aires apply different tax rates. The tax is levied on the amount of gross income resulting from business activities carried on within the respective provincial jurisdictions. The provinces have signed an agreement to avoid the double taxation of activities performed in more than one province (*Convenio Multilateral del 18 de agosto de 1977*). Under this agreement, gross income is allocated between the different provinces applying a formula based on income obtained and expenses incurred in each province. In the Province of Buenos Aires, we have received an exemption from the payment of the turnover tax for the period from 2011 through April 13, 2017 for Sistemas Globales S.A. and through December 31, 2019 for IAFH Global S.A.. Sistemas Globales S.A. is renewing the exemption.

Provincial Tax Advance Payment Regimes Applicable to Local Bank Accounts

Certain provincial tax authorities have established advance payment regimes regarding the turnover tax that are, in general, applicable to credits generated in bank accounts opened with financial institutions governed by the Argentine Financial Institutions Law. These regimes apply to local tax payers which are included in a list distributed — usually on a monthly basis — by the provincial tax authorities to the financial institutions aforementioned.

Tax rates applicable depend on the regulations issued by each provincial tax authority, in a range that, currently, could amount up to 5%. For tax payers subject to these advance payment regimes, any payment applicable qualifies as an advance payment of the turnover tax.

Stamp Tax

Stamp tax is a local tax that is levied based on the formal execution of public or private instruments. Documents subject to stamp tax include, among others, all types of contracts, notarial deeds and promissory notes. Each province and the City of Buenos Aires has its own stamp tax legislation. Stamp tax rates vary according to the jurisdiction and agreement involved. In general, stamp tax rates vary from 1% to 4% and are applied based on the economic value of the instrument. In the Province of Buenos Aires, we have received an exemption from the stamp tax for one of our subsidiaries, IAFH Global S.A., since 2011.

Free Good Transmission Tax

The Province of Buenos Aires established this tax in 2009. According to Law 14,200, all debts accrued up to December 31, 2010 have been exempted from this tax. This tax is levied on any wealth increases resulting from free good or asset transmission (i.e. a donation, inheritance, etc.), provided the beneficiary (individual or company) is domiciled in the Province of Buenos Aires or the goods or assets are located in the Province of Buenos Aires. Moreover, according to this tax, shares and other securities representing capital stock, an equity interest or the equivalent which, at the time of transmission, are located in another jurisdiction (i.e., not in the Province of Buenos Aires) or were issued by entities or companies domiciled in another jurisdiction, are deemed to be situated in the Province of Buenos Aires in proportion to the assets that such entities or companies have in the Province of Buenos Aires. This tax will only be applicable if the benefit obtained by the individual or the company exceeds 78,000 Argentine pesos. In the case of parents, children and spouses, the threshold amount is increased up to 325,000 Argentine pesos. The tax rates are progressive and vary from 4% to 21.925%. The Province of Entre Ríos has enacted a tax that is similar to Law 14,200 described above.

The tax may become applicable in the event that our Argentine subsidiaries, Huddle Group S.A., IAFH Global S.A. and Sistemas Globales S.A., receive any free transmission of goods or assets located within the Province of Buenos Aires or the Province of Entre Ríos. If either of the subsidiaries changes its domicile to the Province of Buenos Aires or to the Province of Entre Ríos, the tax will be levied upon any free transmission of goods or assets received by that subsidiary, wherever the goods or assets are located.

Municipal Taxes

Municipalities may establish certain municipal taxes, provided they are not analogous with the national taxes, and they match an effective and individualized service provisioned by the local government. It should be noted that in many cases, the taxable income considered for the municipal tax will be the same as that for the turnover tax, though limited to the amount that belongs to the province where the municipality is located as per the agreement to avoid double taxation (*Convenio Multilateral del 18 de agosto de 1977*).

Information Regime

General Resolution 3293/2012 of the Argentine Federal Tax Authority sets forth the obligation to report (through the website of the Argentine Federal Tax Authority) the total or partial (gratuitous or onerous) transfer and/or assignment of:

- securities, shares, participations or equivalents in the capital of non-publicly traded Argentine companies (and certain other non-publicly traded Argentine entities) whether the buyer and/or the purchaser is a foreign or an Argentine resident;
- securities, shares, participations or equivalents in the capital of non-publicly traded foreign companies if the transaction is performed by Argentine individuals or Argentine undivided estates; and
- listed securities issued by Argentine or foreign residents in case the transaction results in the change of control of the company.

This obligation must be complied with concurrently by seller, purchaser and by the target company whose assets are being transferred. Also, the obligation applies to the notary public (if a notary public participates in the transaction). If the transaction is between a foreign seller and a foreign buyer, then according to guidance provided by AFIP, they are not obliged to comply with this information regime. The obligation remains for the local company and notary public.

The transaction must generally be reported within ten business days after the date of the transaction.

Related Parties' Registry

Pursuant to General Resolution No. 3,572, AFIP created: (i) a related parties' registry (*Registro de Sujetos Vinculados*) and (ii) an information regime concerning transactions in the domestic market among related parties (*Régimen informativo de operaciones en el mercado interno — Sujetos Vinculados*).

Unlike the related parties' registry (which applies to transactions among related parties located in Argentina and abroad), the transactions' information regime is applicable to transactions between related parties located in Argentina.

Incoming Funds from Low or No Tax Jurisdictions

According to the legal presumption under Article 18.1 of Law No.11,683 and its amendments, incoming funds from jurisdictions with low or no taxation are deemed an unjustified increase in net worth for the Argentine party, regardless of the nature of the operation involved. Unjustified increases in net worth are subject to the following taxes:

- (a) income tax at a 35% rate on 110% of the amount of the transfer; and
- (b) value added tax at a 21% rate on 110% of the amount of the transfer.

The Argentine tax resident may rebut such legal presumption by proving before the Argentine Tax Authority that the funds arise from activities effectively performed by the Argentine taxpayer or a third party in such jurisdictions, or that such funds have been previously declared.

The Amendment Law modified the definition of Low or No Tax Jurisdiction to mean any country, jurisdiction dominium, territory, associated state or special tax regime in which the maximum corporate income tax rate is lower than 60% of the income tax rate established in section 69 a) of the ITL. Therefore, to avoid being regarded as a low tax jurisdiction, the maximum corporate income tax rate of a given jurisdiction must be equal or higher than 18% during 2018 and 2019; and 15% starting in the year 2020. Regulations are pending on the mechanism to calculate the foreign tax rate for purposes of this concept.

As of the date of this annual report, we are not liable for this tax.

Foreign Exchange Controls

The following is a summary of the material foreign exchange control considerations relating to our operations in Argentina, Colombia and India, and it is based upon laws, regulations, decrees, rulings, administrative practice and judicial decisions in effect as of the date of this annual report. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming. Any such changes or interpretations could affect us and could alter or modify the statements and conclusions set forth herein. This summary does not purport to be a legal opinion or to address all foreign exchange controls aspects that may be relevant to our operations in such jurisdictions.

Argentina

On January 6, 2002, the Argentine Congress enacted Law No. 25,561 (as amended and supplemented, the "Argentine Public Emergency Law"), formally ending the regime of the Convertibility Law, abandoning over ten years of U.S. dollar-peso parity. With the enactment of the Argentine Public Emergency Law, Argentina declared a state of public emergency in terms of social, economic, administrative, financial and exchange rate conditions, and the Argentine executive branch was vested with the power to establish a system to determine the exchange rate between the peso and foreign currencies and to enact foreign exchange regulations. In February 2002, the Argentine executive branch issued Decree No. 260/2002 which established (i) a single free foreign exchange market FX Market in which all foreign exchange transactions were to be settled, and (ii) that foreign exchange transactions are to be consummated at an exchange rate that is freely settled, subject to the requirements and regulations imposed by the Argentine Central Bank. Even when the Argentine peso was allowed to float freely against other currencies, the Argentine Central Bank has the power to intervene in the exchange rate market by buying and selling foreign currency for its own account, a practice in which it engaged in, and in which it may continue to engage in, on a regular basis.

In June 2005, through the issuance of Decree No. 616/2005, the Argentine government established a number of foreign exchange restrictions and regulations on inflows and outflows of funds to be settled through the local FX Market. With the tightening of exchange controls beginning in late 2011, in particular with the introduction of measures that allowed limited access to foreign currency by private companies and individuals (such as requiring an authorization of tax authorities to access the foreign currency exchange market), the implied exchange rate, as reflected in the quotations for Argentine securities in foreign markets, compared to the corresponding quotations in the local market, increased significantly over the official exchange rate. Within such measures, the Argentine government restricted certain local companies from obtaining access to the FX Market for the purpose of making payments abroad, such as dividends (including capital reductions) and payment for importation of services and goods. In particular, during the last few years, the Argentine Central Bank exercised a *de facto* prior approval power for certain foreign exchange transactions otherwise authorized to be carried out under the applicable regulations by means of regulating the amount of foreign currency available to financial institutions to conduct such transactions.

Most foreign exchange restrictions and restrictions on transfer of funds into and out of Argentina that had been enacted since 2011, were lifted by the Macri administration by December 2015, reestablishing Argentine residents' rights to purchase and remit outside of Argentina foreign currency with no maximum amount and without specific allocation or prior approval.

In December 2015, in line with the economic reforms implemented by the new administration, the Argentine Ministry of Treasury issued Resolution No. 3/2015 which eliminated the requirement to maintain a registered, non-transferable and non-interest bearing deposit by reducing the amount of the deposit from 30% to 0%. Consequently, such deposit is no longer applicable to, among other transactions, foreign financial debts, inflows of funds of non-residents and repatriations by residents. In addition, pursuant to Resolution No. 1-E/2017 dated January 5, 2017, the minimum period of 120 calendar days, imposed by Resolution No. 3/2015, for the proceeds received from any new financial indebtedness (incurred by residents and granted by foreign creditors) as well as portfolio investments of non-residents had to be kept in Argentina, was reduced to zero. The Argentine Ministry of Treasury is entitled to modify the percentage of and period that funds must be kept in Argentina when a change in the macroeconomic situation so requires.

In addition, on August 8, 2016, the Argentine Central Bank issued Communication "A" 6037, which repealed most of the restrictions to purchase currency and those relating to the inflow and outflow of funds into and from Argentina (except for the obligation of Argentine exporters of goods and services to repatriate to the FX Market foreign currency proceeds from exportation transactions, such as receivables relating to the exportation of goods, which shall also be settled through the FX Market).

Furthermore, on May 19, 2017, the Central Bank issued Communication "A" 6244, which entered into effect on July 1, 2017 and was amended by Communication "A" 6312 dated August 30, 2017, and pursuant to which new regulations regarding access to the foreign exchange market were established, essentially abrogating all prior regulations on the matter. Pursuant to these regulations:

- The principle of a free foreign exchange market is established.
- The obligation to carry out any exchange operation through an authorized entity is maintained.
- The restrictions regarding hours to operate in the MULC are eliminated.
- The obligation of Argentine residents to comply with the "Survey of foreign assets and liabilities" (Communication "A" 6401) is maintained and in force, even if there had been no inflow of funds to the MULC and/or no future access to it for the operations to be declared.

On November 1, 2017, the Argentine executive branch issued Decree No. 893/2017 (complemented by Communication "A" 6363 of the Central Bank dated November 10, 2017) pursuant to which foreign exchange restrictions related to exports of goods and services that continued to be in place (Mercado Único y Libre de Cambios) were eliminated, including the obligation of Argentine residents to transfer to Argentina and sell in the FX Market the proceeds of their exports of goods within the applicable deadline.

Pursuant to Resolution No. 1-E/2017, the minimum period of 120 calendar days, imposed by Resolution No. 3/2015, that proceeds received from foreign financial debt had to be kept in Argentina was reduced to zero.

For additional information regarding all current foreign exchange restrictions and exchange control regulations in Argentina, investors should consult their legal advisors and read the applicable rules mentioned herein, as well as any amendments and complementary regulations, which are available at the Argentine Ministry of Treasury's website: www.economia.gob.ar, or the Argentine Central Bank's website: www.bcra.gob.ar.

Colombia

Under Colombian foreign exchange regulations, payments in foreign currency related to certain foreign exchange transactions must be conducted through the commercial exchange market, by means of an authorized financial intermediary, and declaring the payment to the Colombian Central Bank. This mechanism applies to payments in connection with, among others, imports and exports of goods, foreign loans and related financing costs, investment of foreign capital and the remittances of profits thereon, investment in foreign securities and assets and endorsements and guarantees in foreign currency. Transactions through the commercial exchange market are made at market rates freely negotiated with the authorized intermediaries.

In addition, the Colombian Central Bank may intervene in the foreign exchange market at its own discretion at any time and may, under certain circumstances, take actions that limit the availability of foreign currency to private sector companies. Notwithstanding the foregoing, the Colombian Central Bank has never taken such action since the present foreign exchange regime was implemented in 1991.

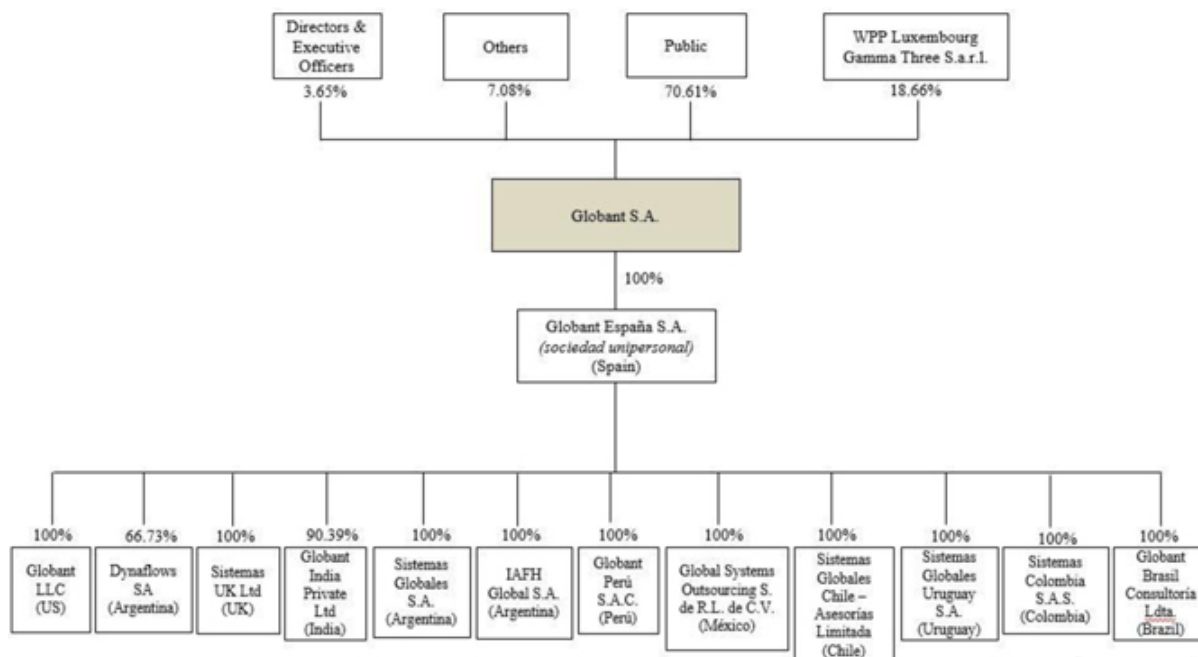
India

The prevailing foreign exchange laws in India require Indian residents to repatriate all foreign currency earnings to India to control the exchange of foreign currency. More specifically, Section 8 of the Foreign Exchange Management Act, 1999, requires an Indian company to take all reasonable steps to realize and repatriate into India all foreign currency earned by the company outside India, within such time periods and in the manner specified by the Reserve Bank of India (the "RBI"). The RBI has promulgated guidelines that require Indian companies to realize and repatriate such foreign currency back to India, including by way of remittance into a foreign currency account such as an Exchange Earners Foreign Currency ("EEFC") account maintained with an authorized dealer in India. Remittance into an EEFC account is subject to the condition that the sum total of the accruals in the account during a calendar month should be converted into rupees on or before the last day of the succeeding calendar month, after adjusting for utilization of the balances for approved purposes or forward commitments.

C. Organizational Structure

On December 10, 2012, we incorporated our company, Globant S.A., as a *société anonyme* under the laws of the Grand Duchy of Luxembourg, as the holding company for our business. Prior to the incorporation in Luxembourg, our company was incorporated in Spain as a *sociedad anónima*, which we refer to as "Globant Spain" or "Spain Holdco". As a result of the incorporation of our company in Luxembourg and certain related share transfers and other transactions, Globant Spain became a wholly-owned subsidiary of our company.

The following chart reflects our organization structure, including our principal shareholders and our principal subsidiaries, as of March 26, 2018. See "Major Shareholders and Related Party Transactions — Major Shareholders" for more information about our principal shareholders and note 2.2 to our audited consolidated financial statements for more information about our consolidated subsidiaries.



Seasonality

See “Operating and Financial Review and Prospects — Operating Results — Factors Affecting Our Results of Operations.”

D. Property, Plant and Equipment

See “—Business Overview.”

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and related notes included elsewhere in this annual report. Our consolidated financial statements have been prepared in accordance with IFRS. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under “Key Information—Risk Factors” and elsewhere in this annual report.

Overview

We are a digitally native technology services company. We are passionate about building the new way of being digital. We want to help our clients emotionally connect with consumers and employees, leveraging the power of artificial intelligence (“AI”) for business optimization. We are the place where engineering, design, and innovation meet scale. Our principal operating subsidiary is based in Buenos Aires, Argentina. For the year ended December 31, 2017, 78.8% of our revenues were generated by clients in North America, 11.8% in Latin America, 0.2% in Asia and 9.3% in Europe, including many leading global companies.

Over the past several years, new technologies have emerged to revolutionize the way end-users interact with technology and reshape businesses and competitive landscapes for organizations.

We believe that we are at the forefront of one of the most radical and profound changes since we experienced the mobile and digital transformation that started with the smartphones 10 years ago: the AI revolution. AI and machine learning ("ML") capabilities have advanced exponentially in recent years, blurring the line between fantasy and reality, and creating an unparalleled market opportunity for whoever can deliver the technology to eager consumers.

Like many radical transformations in the past, AI is poised to be a disruptive force in the near future. Although AI has been available for decades, it has recently matured due to technological advancements that have driven innovation in many industries and accelerated investment in AI.

Today's users move quickly and are keen to interact with their digital ecosystem anywhere and anytime, in a fast, seamless and personalized way that will simplify their lives. We are experiencing an abundance of demand for more intelligent and human-like behavior and technology, and we believe that we have concrete ways to fill that demand.

Our Globers are our most valuable asset. As of December 31, 2017, we had 6,753 Globers and 37 locations across 30 cities in Latin America, Asia, Europe and North America, throughout 12 countries, supported by four client management locations in the United States, and one client management location in each of United Kingdom, Colombia, Uruguay, Argentina and Brazil. Our reputation for cutting-edge work for global blue chip clients and our footprint across the world provide us with the ability to attract and retain well-educated and talented professionals. We are culturally similar to our clients and we function in multiple time zones. We believe that these characteristics have helped us build solid relationships with our clients in the United States and Europe and facilitate a high degree of client collaboration.

For the year ended December 31, 2017, 78.8%, 11.8%, 9.3% and 0.2% of our revenues were generated by clients in North America, Latin America, Europe and Asia, respectively. Our clients include companies such as Google, Electronic Arts, Southwest Airlines Co. and Walt Disney Parks and Resorts Online, each of which was among our top ten clients by revenues for at least one Studio in the year ended December 31, 2017. 88.3% of our revenues for 2017 were attributable to repeat clients who had used our services in the prior year. We believe our success in building our attractive client base in the most sophisticated and competitive markets for IT services demonstrates the superior value proposition of our offering and the quality of our execution as well as our culture of innovation and entrepreneurial spirit.

Our revenues increased from \$253.8 million for 2015 to \$413.4 million for 2017, representing a Compound Annual Growth Rate ("CAGR") of 27.6% over the two-year period. Our revenues for 2017 increased by 28.1% to \$413.4 million, from \$322.9 million for 2016. Our net income for 2017 was \$30.5 million, compared to a net income of \$35.9 million for 2016. The \$5.4 million decrease in net income from 2016 to 2017 was primarily driven by lower gross margin, partially offset by a decrease in selling, general and administrative expenses and efficiencies in the effective income tax rate. In 2015, 2016 and 2017, we made several acquisitions to enhance our strategic capabilities, none of which contributed a material amount to our revenues in the year the acquisition was made. See "Information on the Company — History and Development of the Company."

We were founded in 2003 and since our inception, we have benefited from strong organic growth and have built a blue chip client base comprised of leading global companies. Over that same period, we have expanded our network of offices from one to 37. We benefited from the support of Riverwood Capital and FTV Capital, which have provided equity capital to support our strategic expansion and growth. In January 2012, Endeavor Global, Inc., an organization devoted to selecting, mentoring and accelerating high-impact entrepreneurs around the world, invested in our company. And, more recently, in December 2012, one of the largest marketing communications networks in the advertising industry, WPP plc, through its wholly owned subsidiary, WPP, became a shareholder of our company.

In 2006, we started working with Google. We were chosen due to our cultural affinity and innovation. While our growth has primarily been organic, since 2008 we have made fourteen complementary acquisitions. Our acquisition strategy is focused on deepening our relationship with key clients, extending our technology capabilities, broadening our service offering and expanding the geographic footprint of our delivery centers, including beyond Latin America.

In 2008, we acquired Accendra, a Buenos Aires-based provider of software development services, in order to deepen our relationship with Microsoft and broaden our technology expertise to include Sharepoint and other Microsoft technologies. That same year we also acquired Openware, a company specializing in security management based in Rosario, Argentina.

In 2011, we acquired Nextive. The Nextive acquisition expanded our geographic presence in the United States and enhanced our U.S. engagement and delivery management team as well as our ability to provide comprehensive solutions in mobile technologies.

In 2012, we acquired TerraForum, an innovation consulting and software development firm in Brazil. The acquisition of TerraForum allowed us to expand into one of the largest economies in the world and to broaden our services to our clients, strengthening our position as a leader in the creation of innovative software products.

In August 2013, we acquired 22.75% of DynafloWS S.A. In October 2015, we obtained the control over DynafloWS through acquiring an additional number of shares. This additional acquisition allowed us to broaden our Services over Platforms strategy.

In October 2013, we acquired a majority stake in the Huddle Group, a company specializing in the media and entertainment industries, with operations in Argentina, Chile and the United States. We acquired the remaining 13.75% minority stake in Huddle Investment in October 2014.

In July 2014, we closed the initial public offering of our common shares in the United States.

In October 2014, we acquired BlueStar Holdings. Through this acquisition, we commenced our operations in Perú.

In April 2015, we closed a follow-on secondary offering of our common shares in the United States through which certain selling shareholders sold 3,994,390 common shares previously held by them. In July 2015, we closed another follow-on secondary offering in the United States through which certain selling shareholders sold 4,025,000 common shares previously held by them.

In May 2015, we acquired Clarice which allowed us to establish our presence in India.

Also, in 2015, we launched new Studios to complement our offerings, including one focused on Cognitive Computing, and we incorporated a complementary approach to build digital journeys fast and in an innovative manner through: our service-over-platform offering.

During 2016, we introduced a new model that intends to reshape our go-to-market strategy to scale our company in the coming years, called 50 Squared. The main goal of this new approach is to focus our team in the top 50 high potential accounts that have the capacity to grow exponentially over time. To do so, we have appointed our most senior people from Sales, Technology and Operations to lead these teams and take our company to the next level. This account focus has become the most important pillar of our go-to-market strategy and every account within Globant now has the goal to become part of this program.

In May 2016, we acquired WAE. The purpose of these acquisitions was related to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of WAE.

In August 2016, we applied to the Luxembourg Stock Exchange for listing on the Official List of the Lux SE and for the admission to trading on its regulated market of our common shares. Our shares began trading on the Lux SE on August 11, 2016.

In November 2016, we entered into a stock purchase agreement with 3C to purchase the 100% of the capital stock of Difier. At the same time, we signed a consulting services agreement to provide software development services to 3C for a term of four years.

During the same month, we acquired L4 Mobile, LLC. The purpose of this acquisition was related to strengthening our leading position in the digital services space and expanding our capabilities in the United States.

In February 2017, we acquired Ratio Cypress, LLC, a limited liability company organized and existing under the laws of the State of Washington in the United States. Ratio offers design, development and quality assurance services necessary to build and manage robust digital products and video streaming solutions for major media companies.

In June 2017, we acquired PointSource, LLC, a design and development technology agency, based in Raleigh, North Carolina, and Chicago. The purpose of this acquisition was related to the benefit of expected synergies, revenue growth and expanding our capabilities in the United States.

A. Operating Results

Factors Affecting Our Results of Operations

In the last few years, the technology industry has undergone a significant transformation due to the proliferation and accelerated adoption of several emerging technologies, including social media, mobility, cloud computing and big & fast data, and related market trends, including enhanced user experience, personalization technology, gamification, consumerization of IT, wearables, internet of things and open collaboration. These technologies are empowering end users and are compelling enterprises to engage and collaborate with end-users in new and powerful ways. We believe that these changes are resulting in a paradigm shift in the technology services industry and are creating demand for service providers that possess a deep understanding of these emerging technologies and related market trends.

We believe that the most significant factors affecting our results of operations include:

- market demand for integrated engineering, design and innovation technology services relating to emerging technologies and related market trends;
- economic conditions in the industries and countries in which our clients operate and their impact on our clients' spending on technology services;
- our ability to continue to innovate and remain at the forefront of emerging technologies and related market trends;
- expansion of our service offerings and success in cross-selling new services to our clients;
- our ability to obtain new clients, increase penetration levels with our existing clients and continue to add value for our existing clients so as to create long-term relationships;
- the availability of, and our ability to attract, retain and efficiently utilize, skilled IT professionals in Latin America and the United States;
- operating costs in countries where we operate, particularly in Argentina where most of our employees are based;
- capital expenditures related to the opening of new delivery centers and client management locations and improvement of existing offices;
- our ability to increase our presence onsite at client locations;
- the effect of wage inflation in countries where we operate and the variability in foreign exchange rates, especially relative changes in exchange rates between the U.S. dollar and the Argentine peso, Uruguayan peso, Mexican peso, Colombian peso and Indian rupees; and
- our ability to identify, integrate and effectively manage businesses that we may acquire.

Our results of operations in any given period are directly affected by the following additional company-specific factors:

- Pricing of and margin on our services and revenue mix. For time-and-materials contracts, the hourly rates we charge for our Globers are a key factor impacting our gross profit margins and profitability. Hourly rates vary by complexity of the project and the mix of staffing. The margin on our services is impacted by the increase in our costs in providing those services, which is influenced by wage inflation and other factors. As a client relationship matures and deepens, we seek to maximize our revenues and profitability by expanding the scope of services offered to that client and winning higher profit margin assignments. During the three-year period ended December 31, 2017, we increased our revenues attributable to sales of technology solutions (primarily through our Mobile, Enterprise Consumerization, UX Design and Gaming Studios), however, our adjusted gross profit margin percentage of 38.8%, 42.3% and 38.9% for the years ended December 31, 2017, 2016 and 2015, respectively, was affected by foreign exchange headwinds combined with some wage inflation in certain of the countries in which we operate.
- Our ability to deepen and expand the portfolio of services we offer through our Studios while maintaining our high standard of quality. The breadth and depth of the services we offer through our Studios impacts our ability to grow revenues from new and existing clients. Through research and development, targeted hiring and strategic acquisitions, we have invested in broadening and deepening the domains of expertise of our Studios. Our future growth and success depend significantly on our ability to maintain the expertise of each of our Studios and to continue to innovate and to anticipate the needs of our clients and rapidly develop and maintain the expertise of each of our Studios, including relevant domain knowledge and technological capabilities required to meet those client needs, while maintaining our high standard of quality.
- Recruitment, retention and management of IT professionals. Our ability to recruit, retain and manage our IT professionals may have an effect on our gross profit margin and our results of operations. Our IT professional headcount was 6,279 as of December 31, 2017, 5,219 as of December 31, 2016 and 4,613 as of December 31, 2015. We manage employee headcount and utilization based on ongoing assessments of our project pipeline and requirements for professional capabilities. An unanticipated termination of a significant project could cause us to experience lower employee utilization resulting from a higher than expected number of idle IT professionals. Our ability to effectively utilize our employees is typically improved by longer-term client relationships due to increased predictability of client needs over the course of the relationships.
- Evolution of client base. In recent years, as we have expanded significantly in the technology services industry; we have diversified our client base and reduced client concentration. Revenues attributable to our top ten clients increased by 26.8% from 2015 to 2016 and 15.4% from 2016 to 2017. Over the same period, we have increased our revenues from existing clients by expanding the scope and size of our engagements. The number of clients that each accounted for over \$5.0 million of our annual revenues amounted to eighteen in 2017, eleven in 2016 and ten in 2015, and the number of clients that each accounted for at least \$1.0 million of our annual revenues increased to 82 in 2017, from 60 in 2016 and 51 in 2015.
- Investments in our delivery platform. We have grown our network of locations to 37 at December 31, 2017, located in 30 cities throughout twelve countries (United States (San Francisco, New York, Seattle, Raleigh, Chicago and Dallas), Argentina (Buenos Aires, Tandil, Rosario, Tucumán, Córdoba, Resistencia, Bahía Blanca, Mendoza, Mar del Plata and La Plata), Uruguay (Montevideo), Colombia (Bogotá and Medellín), Brazil (São Paulo), Peru (Lima), Chile (Santiago), México (México City), India (Pune and Bangalore), Spain (Madrid) and United Kingdom (London)). We also have client management locations in the United States (San Francisco, New York, Boston and Miami), Brazil (São Paulo), Colombia (Bogotá), Uruguay (Montevideo), Argentina (Buenos Aires) and the United Kingdom (London) that are close to the main offices of key clients. Our integrated global delivery platform allows us to deliver our services through a blend of onsite and offsite methods. We have pursued a decentralization strategy in building our network of delivery centers, recognizing the benefits of expanding into other cities in Argentina and other countries in Latin America, including the ability to attract and retain highly skilled IT professionals in increasing scale. Our ability to effectively utilize our robust delivery platform could significantly affect our results of operations in the future.

- **Seasonality.** Our business is seasonal and as a result, our revenues and profitability fluctuate from quarter to quarter. Our revenues tend to be higher in the third and fourth quarters of each year compared to the first and second quarters of each year due to seasonal factors. During the first quarter of each year, which includes summer months in the southern hemisphere, there is a general slowdown in business activities and a reduced number of working days for our IT professionals based in Argentina, Uruguay, Brazil, Peru, Chile and Colombia, which results in fewer hours being billed on client projects and therefore lower revenues being recognized on those projects. In addition, some of the reduction in the number of working days for our IT professionals in the first or second quarter of the year is due to the Easter holiday. Depending on whether the Easter holiday falls in March or April of a given year, the effect on our revenues and profitability due to the Easter holiday can appear either in the first or second quarter of that year. Finally, we implement annual salary increases in the second and fourth quarters of each year. Our revenues are traditionally higher, and our margins tend to increase, in the third and fourth quarters of each year, when utilization of our IT professionals is at its highest levels.
- **Net effect of inflation in Argentina and variability in the U.S. dollar and Argentine peso exchange rate.** Because a substantial portion of our operations is conducted from Argentina, our results of operations are subject to the net effect of inflation in Argentina and the variability in exchange rate between the U.S. dollar and the Argentine peso. The impact of inflation on our salary costs, or wage inflation, and thus on our statement of profit or loss and other comprehensive income varies depending on the fluctuation in exchange rates between the Argentine peso and the U.S. dollar. In an environment where the Argentine peso is weakening against the U.S. dollar, our functional currency in which a substantial portion of our revenues are denominated, the impact of wage inflation on our results of operations will decrease, whereas in an environment where the Argentine peso is strengthening against the U.S. dollar, the impact of wage inflation will increase. During the year ended December 31, 2017, the Argentine peso experienced a 17% devaluation from 15.84 Argentine pesos per U.S. dollar to 18.60 Argentine pesos per U.S. dollar and INDEC reported in 2017 an inflation rate of 24.8%. The combination of this devaluation and the inflation rate is not expected to have a significant impact on our revenues because a substantial portion of our sales are denominated in U.S. dollars. The devaluation, net of the impact of the inflation rate in the same period, has resulted in an increase in our operating costs, as a substantial portion of our operating costs are primarily denominated in Argentine pesos. See "Quantitative and Qualitative Disclosures about Market Risk — Foreign Exchange Risk" and "Quantitative and Qualitative Disclosures about Market Risk — Wage Inflation Risk."

Our results of operations are expected to benefit from government policies and regulations designed to foster the software industry in Argentina, primarily under the Software Promotion Law. For further discussion of the Software Promotion Law, see "Business Overview — Our Delivery Model — Government Support and Incentives."

Certain Income Statement Line Items

Revenues

Revenues are derived primarily from providing technology services to our clients, which are medium- to large-sized companies based in the United States, Europe and Latin America. For the year ended December 31, 2017, revenues increased by 28.1% to \$413.4 million from \$322.9 million for the year ended December 31, 2016. For the year ended December 31, 2016, revenues increased by 27.2% to \$322.9 million from \$253.8 million for the year ended December 31, 2015. Between 2015 and 2017, we experienced rapid growth in demand for our services and significantly expanded our business.

We perform our services primarily under time-and-material contracts and, to a lesser extent, fixed-price contracts. Revenues from our time-and-material contracts represented 91.1%, 92.1% and 96.2% of total revenues for the years ended December 31, 2017, 2016 and 2015, respectively. Revenues from our fixed-price contracts represented 8.9%, 7.9% and 3.7% of total revenues for the years ended December 31, 2017, 2016 and 2015, respectively. The remaining portion of our revenues in each year was derived from other types of contracts.

We discuss below the breakdown of our revenues by client location, industry vertical and client concentration. Revenues consist of technology services revenues net of reimbursable expenses, which primarily include travel and out-of-pocket costs that are billable to clients.

Revenues by Client Location

Our revenues are sourced from three main geographic markets: North America (primarily the United States), Europe (primarily Spain and the United Kingdom) and Latin America (primarily Argentina, Chile and Mexico). We present our revenues by client location based on the location of the specific client site that we serve, irrespective of the location of the headquarters of the client or the location of the delivery center where the work is performed. For the year ended December 31, 2017, we had 356 clients.

The following table sets forth revenues by client location by amount and as a percentage of our revenues for the years indicated:

	Year ended December 31,								
	2017		2016		2015				
	(in thousands, except percentages)								
By Geography									
North America	\$	325,614	78.8%	\$	260,923	80.8%	\$	212,412	83.7%
Europe		38,484	9.3%		29,306	9.1%		13,508	5.3%
Asia		700	0.2%		1,265	0.4%		1,434	0.6%
Latin America and other		48,641	11.8%		31,362	9.7%		26,442	10.4%
Revenues	\$	413,439	100.0%	\$	322,856	100.0%	\$	253,796	100.0%

Revenues by Industry Vertical

We are a provider of technology services to enterprises in a range of industry verticals including media and entertainment, professional services, technology and telecommunications, travel and hospitality, banks, financial services and insurance and consumer, retail and manufacturing, among others. The following table sets forth our revenues by industry vertical by amount and as a percentage of our revenues for the periods indicated:

	Year ended December 31,								
	2017		2016		2015				
	(in thousands, except percentages)								
By Industry Vertical									
Media and Entertainment	\$	99,640	24.1%	\$	67,912	21.0%	\$	61,767	24.3%
Travel & Hospitality		68,400	16.5%		63,414	19.6%		38,926	15.3%
Banks, Financial Services and Insurance		94,994	23.0%		59,786	18.5%		31,981	12.6%
Technology & Telecommunications		60,648	14.7%		51,378	15.9%		51,816	20.4%
Professional Services		40,660	9.8%		42,286	13.1%		36,546	14.4%
Consumer, Retail & Manufacturing		36,025	8.7%		28,710	8.9%		28,840	11.4%
Other Verticals		13,072	3.2%		9,370	3.0%		3,920	1.6%
Total	\$	413,439	100.0%	\$	322,856	100.0%	\$	253,796	100.0%

Revenues by Client Concentration

We have increased our revenues by expanding the scope and size of our engagements, and we have grown our key client base primarily through our business development efforts and referrals from our existing clients.

The following table sets forth revenues contributed by our largest client, top five clients, top ten clients and top twenty clients by amount and as a percentage of our revenues for the years indicated:

	Year ended December 31,								
	2017		2016		2015				
	(in thousands, except percentages)								
Client concentration									
Top client	\$	42,049	10.2%	\$	31,249	9.7%	\$	31,095	12.3%
Top five clients		119,431	28.9%		108,831	33.7%		83,633	33.0%
Top ten clients		173,333	41.9%		150,217	46.5%		118,509	46.7%
Top twenty clients		228,922	55.4%		193,057	59.8%		154,737	61.0%

Our top ten customers for the year ended December 31, 2017 have been working with us for, on average, seven years.

Our focus on delivering quality to our clients is reflected in the fact that existing clients from 2016 and 2015 contributed 88.3% and 71.6% of our revenues in 2017, respectively. Our existing clients from 2015 contributed 91.7% of our revenues in 2016. As evidence of the increase in scope of engagement within our client base, the number of clients that each accounted for over \$5.0 million of our annual revenues increased (eighteen in 2017, eleven in 2016 and ten in 2015) and the number of clients that each accounted for at least \$1.0 million of our annual revenues increased to eighty-two in 2017, sixty in 2016 and fifty-one in 2015. The following table shows the distribution of our clients by revenues for the year presented:

	Year ended December 31,		
	2017	2016	2015
Over \$5 Million	18	11	10
\$1 - \$5 Million	64	49	41
\$0.5 - \$1 Million	45	41	30
\$0.1 - \$0.5 Million	82	88	100
Less than \$0.1 Million	147	151	163
Total Clients	356	340	344

The volume of work we perform for specific clients is likely to vary from year to year, as we are typically not any client's exclusive external technology services provider, and a major client in one year may not contribute the same amount or percentage of our revenues in any subsequent year.

Operating Expenses

Cost of Revenues

The principal components of our cost of revenues are salaries and non-reimbursable travel costs related to the provision of services. Included in salaries are base salary, incentive-based compensation, employee benefits costs and social security taxes. Salaries of our IT professionals are allocated to cost of revenues regardless of whether they are actually performing services during a given period. Up to 70% of the amounts paid by our Argentine subsidiaries for certain social security taxes in respect of base and incentive compensation of our IT professionals is credited back to those subsidiaries under the Software Promotion Law, reducing the effective cost of social security taxes from approximately 19.0% to approximately 10.0% of the base and incentive compensation on which those contributions are calculated. For further discussion of the Software Promotion Law, see "— Income Tax Expense" below and note 3.7.1.1 to our audited consolidated financial statements for the year ended December 31, 2017.

Also included in cost of revenues is the portion of depreciation and amortization expense attributable to the portion of our property and equipment and intangible assets utilized in the delivery of services to our clients.

Our cost of revenues has increased since 2013 in line with the growth in our revenues and reflects the expansion of our operations in Argentina, Uruguay, Colombia, Peru, Mexico, India and the United States primarily due to increases in salary costs, an increase in the number of our IT professionals and the opening of new delivery centers. We expect that as our revenues grow, our cost of revenues will increase. Our goal is to increase revenue per head and thereby increase our gross profit margin.

Selling, General and Administrative Expenses

Selling, general and administrative expenses represent expenses associated with promoting and selling our services and include such items as salary of our senior management, administrative personnel and sales and marketing personnel, infrastructure costs, legal and other professional services expenses, travel costs and other taxes. Included in salaries are base salary, incentive-based compensation, employee benefits costs and social security taxes. The credit of up to 70% for certain social security taxes paid by our Argentine subsidiaries that is provided under the Software Promotion Law as described under "— Cost of Revenues" above also extends to payments of such social security taxes in respect of salaries of personnel included in our selling, general and administrative expenses, reducing the effective cost of social security taxes as described above.

Also included in selling, general, and administrative expenses is the portion of depreciation and amortization expense attributable to the portion of our property and equipment and intangible assets utilized in our sales and administration functions.

Our selling, general and administrative expenses have increased primarily as a result of our expanding operations and the build-out of our senior and mid-level management teams to support our growth. We expect our selling, general and administrative expenses to continue to increase in absolute terms as our business expands. However, as a result of our management and infrastructure investments, we believe our platform is capable of supporting the expansion of our business without a proportionate increase in our selling, general and administrative expenses, resulting in gains in operating leverage.

Depreciation and Amortization Expense (included in "Cost of Revenues" and "Selling, General and Administrative Expenses")

Depreciation and amortization expense consists primarily of depreciation of our property and equipment (primarily leasehold improvements, servers and other equipment) and, to a lesser extent, amortization of our intangible assets, (mainly software licenses, acquired intangible assets and internal developments). We expect that depreciation and amortization expense will continue to increase as we open more delivery centers and client management locations.

Other operating (expenses) income, net

Other operating (expenses) income, net includes impairment of tax credits, net of recoveries, and impairment of intangible assets. For the year ended December 31, 2017, we recorded a loss of \$1.6 million for impairment of tax credits, which represented an allowance for estimated losses resulting from substantial doubt about the recoverability of some value-added tax credits determined by estimating future uses of such credits. For the year ended December 31, 2016, no impairment of tax credits was recorded. For the year ended December 31, 2015, we recorded a gain of \$1.8 million related to the recovery of an impairment of tax credits, which represented the partial reversal of the allowance recognized in prior years after consideration of new facts and circumstances that occurred in that year.

For the year ended December 31, 2017, we recognized an impairment loss of \$4.7 million related to the intangible assets acquired in business combinations based on our evaluation of projected lower future cash flows from the related customer relationships. In 2016 and 2015, no impairment losses were recorded.

Gain on Transaction with Bonds

Proceeds Received from Capital Contributions

During the year ended December 31, 2015, our Argentine subsidiaries, with cash proceeds from capital contributions, acquired U.S. dollar-denominated BODEN and BONAR in the U.S. debt markets (in U.S. dollars). BONAR are a form of Argentine sovereign bond with characteristics identical to BODEN. The capital contributions during the year ended December 31, 2015 were related to capital expenditures incurred by our Argentine subsidiaries to establish delivery centers in Bahía Blanca, Mar del Plata and Tucumán, open a new recruiting center in Buenos Aires, make initial payments for a new building agreed with *Inversiones y Representaciones S.A.* (IRSA) and finance working capital requirements. The BODEN and BONAR trade both in the U.S. and Argentine markets. We consider the Argentine market to be the principal market for these bonds.

After holding the BODEN and BONAR for a certain period of time, our Argentine subsidiaries sold the BODEN and BONAR in the Argentine market. Because the fair value of the BODEN and BONAR in the Argentine markets, converted at the U.S. dollar official exchange rate prevailing in Argentina (which is the rate used to convert transactions in foreign currencies into our Argentine subsidiaries' functional currency, which is the U.S. dollar), during the year ended December 31, 2015 was higher than the quoted U.S. dollar price for the BODEN and BONAR in the U.S. markets, we recognized a gain when remeasuring the fair value of the BODEN and BONAR (expressed in Argentine pesos) into U.S. dollars at the official exchange rate prevailing in Argentina.

The rate of exchange between the Argentine peso and the U.S. dollar may increase or decrease in the future. We cannot predict future fluctuations in the exchange rate of the Argentine peso against the U.S. dollar. In addition, legislative, judicial or administrative changes or interpretations may be forthcoming, which could also affect the exchange rate. Accordingly, our gain reported on transactions with BODEN and BONAR during the year ended December 31, 2015 is not necessarily indicative of the results that may be expected for any future period. If in the future there is a gap between the quoted price of BODEN and BONAR in the Argentine markets (in Argentine pesos) and their quoted price in U.S. markets (in U.S. dollars) as converted at the official exchange rate prevailing in Argentina, our Argentine subsidiaries may acquire, with cash proceeds from capital contributions, U.S. dollar-denominated BODEN and BONAR in the U.S. debt markets (in U.S. dollars).

Finance Income

Finance income consists of foreign exchange gain on monetary assets, liabilities denominated in currencies other than the U.S. dollar and interest gains on time deposits, short-term securities issued by the Argentine Central Bank (*Letras del Banco Central*), foreign exchange forward contracts and mutual funds.

Finance Expense

Finance expense consists of interest expense on borrowings, loss arising for foreign exchange forward contracts and other investments, foreign exchange loss, other interest and other finance expenses.

Income Tax Expense

As a global company, we are required to provide for corporate income taxes in each of the jurisdictions in which we operate. We have secured special tax benefits in Argentina and Uruguay, as described below. As a result, our income tax expense is low in comparison to profit before income tax expense due to the benefit related to profit before income tax expense earned in those lower tax jurisdictions. Changes in the geographic mix, income tax regulations or estimated level of annual pre-tax income can also affect our overall effective income tax rate. As our operations outside of Argentina and Uruguay grow, it is likely that our effective tax rate will increase.

Under the Software Promotion Law, Argentine companies that are engaged in the design, development and production of software benefit from a 60% reduction in the corporate income tax rate and a tax credit of up to 70% of amounts paid for certain social security taxes that can be applied to offset certain national tax liabilities. When originally enacted in 2004, the Software Promotion Law only permitted this tax credit to be offset against liability for value-added taxes. In 2011, the Software Promotion Law was amended to permit the tax credit to be offset as well against corporate income tax liabilities up to a percentage not higher than the taxpayer's declared percentage of exports (subject to the issuance of implementing regulations), and to extend the reduction in corporate income tax rate and the tax credit regime through 2019. On September 16, 2013, the Argentine government published Regulatory Decree No. 1315/2013, which governs the implementation of the Software Promotion Law. Regulatory Decree No. 1315/2013 introduced specific requirements to qualify for the tax benefits contemplated by the Software Promotion Law. In particular, Regulatory Decree No. 1315/2013 provides that from September 17, 2014 through December 31, 2019 only those companies that are accepted for registration in the National Registry of Software Producers maintained by the Secretary of Industry will be entitled to participate in the benefits of the Software Promotion Law. On June 25, 2014, our Argentine subsidiaries Huddle Group S.A., IAFH Global S.A. and Sistemas Globales S.A. applied for registration in the National Registry of Software Producers.

On March 26, 2015, the Secretary and Subsecretary of Industry issued rulings approving the registration in the National Registry of Software Producers of Sistemas Globales S.A. and IAFH Global S.A. On April 17, 2015, the Secretary and Subsecretary of Industry issued rulings approving the registration in the National Registry of Software Producers of Huddle Group S.A. In each case, the ruling made the effective date of registration retroactive to September 18, 2014 and provided that the benefits enjoyed under the Software Promotion Law as originally enacted were not extinguished until the ruling goes into effect (which have occurred upon its date of publication in the Argentine government's official gazette on before mentioned dates).

On May 7, 2015, we applied to the Subsecretary of Industry for deregistration of Huddle Group S.A. from the National Registry of Software Producers, as the subsidiary had discontinued activities since January 1, 2015. Consequently, Huddle Group S.A. has been subject to a 35% corporate income tax rate from January 1, 2015 until December 31, 2017.

On December 29, 2017, the Argentine government enacted Law No. 27.430, a comprehensive tax reform that became effective on January 1, 2018. Specifically, Law No. 27.430 introduced amendments to income tax (both at corporate and individual levels), value added tax ("VAT"), tax procedural law, criminal tax law, social security contributions, excise tax, tax on fuels and tax on the transfer of real estate.

The law decreases the corporate income tax rate from 35% to 30% for fiscal years starting January 1, 2018 to December 31, 2019, and to 25% for fiscal years starting January 1, 2020 and onwards.

The operations of the Argentine subsidiaries are our most significant source of profit before income tax.

Our subsidiary in Uruguay, which is domiciled in a tax-free zone, benefits from a 0% income tax rate and an exemption from value-added tax. The subsidiary located outside the tax-free zone has an exemption from income tax and value-added tax applicable to the exports of software development services.

Until December 31, 2017, our subsidiary in Colombia was subject to federal corporate income tax of 34% and a surcharge of 6% calculated on net income before income tax. For fiscal year 2018, the income tax rate will be 33% and surcharge rate will be 4%. For fiscal year 2019 and going forward, the surcharge will be eliminated and the corporate tax rate will remain at 33%.

Until December 31, 2017, our U.S. subsidiary, Globant LLC, is subject to U.S. federal income tax at the rate of 34%. On December 22, 2017, the United States enacted the Tax Cuts and Jobs Act ("2017 Tax Act") that instituted fundamental changes to the taxation of multinational corporations. The 2017 Tax Act includes significant changes to the U.S. corporate income tax system, including a federal corporate rate reduction from 35% to 21%, limitations on the deductibility of interest expense and executive compensation, changes regarding net operating loss carryforwards, and the transition of U.S. international taxation from a worldwide tax system to a territorial tax system. Furthermore, as part of the transition to the new tax system, a one-time transition tax is imposed on a U.S. shareholder's historical undistributed earnings of foreign affiliates. For certain eligible pass-through entities, the 2017 Tax Act provides for a qualified business income deduction. The 2017 Tax Act introduces various changes to the Internal Revenue Code. We are currently evaluating the effect of the changes introduced by the 2017 Tax Act on our business. It is anticipated that meaningful guidance explaining the application of certain provisions of the 2017 Tax Act will be released in the upcoming year.

The reform also introduces base erosion provisions for U.S. corporations that are part of a multinational group. For fiscal years beginning after December 31, 2017, a U.S. corporation is potentially subject to tax under the Base Erosion Anti-Abuse Tax provision ("BEAT"), if the controlled group of which it is a part has sufficient gross receipts and derives a sufficient level of "base erosion tax benefits." The provisions introducing the BEAT are complex and there are currently uncertainties surrounding their practical and technical application.

Our subsidiaries in England are subject to corporate income tax at the rate of 19%, which will be reduced to 18% beginning on April 1, 2018.

On September 29, 2014, Law No. 20,780 was published in the Chilean government's official gazette. This law introduced significant changes to the Chilean taxation system and strengthened the powers of the Chilean tax authority to control and prevent tax avoidance. Effective January 1, 2017, Law No. 20,780 created two different corporate tax regimes: the Attributed Income Regime (*Sistema de Renta Atribuida*) and the Semi-Integrated Regime (*Sistema Parcialmente Integrado*). Under the Attributed Income Regime, shareholders are taxed on an accrual basis, with a rate of 25% imposed at the operating entity level, plus an additional withholding income tax of 35% for nonresident shareholders. Under this regime, profits are attributed to the shareholders, irrespective of whether a distribution is actually made. Under the Semi-Integrated Regime, shareholders are taxed on a cash basis (when profits are distributed), at a rate of 25.5% for 2017 and 27% for 2018, imposed at the operating entity level, plus an additional withholding income tax of 35% when profits are actually distributed. Under this regime, the corporate rate is creditable against the 35% withholding income tax, but 35% of such credit is required to be paid to the Chilean Treasury, so, in practice, only 65% of the corporate rate is creditable. However, investors from countries with which Chile has signed the Double Tax Treaty as of January 1, 2017 would be entitled to use the 100% of the foreign tax credit, even if at that time the agreement was not yet in force. Under such circumstances, the full tax credit would be applicable until December 31, 2019 if at that time the relevant tax treaty had not yet entered into force. The Semi-Integrated Regime applies to *Sistemas Globales Chile*. Due to its shareholders being domiciled in Spain, 100% of the income tax will be creditable by them. *Sistemas Globales Chile* was subject to a corporate income tax rate of 24% during the year ended December 31, 2016. Beginning on January 1, 2017, the corporate income tax rate applicable to *Sistemas Globales Chile* will increase to 25.5%

Our subsidiary in Brazil is subject to a corporate income tax rate of 24% plus an additional 10% if its pre-tax income is higher than 240,000 reais. As of December 31, 2017, our Brazilian subsidiary had a tax loss carryforward of 1.2 million. The tax loss carryforward will not expire, and our Brazilian subsidiary may utilize it to offset up to 30% of its taxable income in each carryforward year.

On December 31, 2014, Peru enacted Law No 30,296, which made several changes to the Peruvian tax regime. Among other changes, the law decreases corporate income tax rates, effective January 1, 2015, as follows: fiscal year 2015 and 2016, 28%, fiscal year 2017 and 2018, 27%, fiscal year 2019, 26%. The Peruvian Congress on October 6, 2016, issued Law No. 30,506, which provides the Peruvian government the power to legislate regarding matters affecting economic growth, formal compliance, and national security for a 90-day period. Pursuant to the power granted, the Peruvian government issued Legislative Decree No. 1261 on December 10, 2016, which increases the corporate income tax rate, effective January 1, 2017, for fiscal year 2017 onward to 29.5%.

Our subsidiary in Mexico is subject to corporate income tax at the rate of 30%.

Our Indian subsidiary, Globant India Private Limited, is primarily export-oriented and is eligible for certain income tax holiday benefits granted by the government of India for export activities conducted within Special Economic Zones, or SEZs. The services provided by our Pune development center are eligible for a deduction of 100% of the profits or gains derived from the export of services for the first five years from the financial year in which the center commenced the provision of services and 50% of such profits or gains for the five years thereafter. Certain tax benefits are also available for a further five years subject to the center meeting defined conditions. Indian profits ineligible for SEZ benefits are subject to corporate income tax at the rate of 34.61%. In addition, all Indian profits, including those generated within SEZs, are subject to the Minimum Alternative Tax (MAT), at the current rate of approximately 21.34%, including surcharges.

Results of Operations

The following table sets forth a summary of our consolidated results of operations by amount and as a percentage of our revenues for the periods indicated. This information should be read together with our audited consolidated financial statements and related notes included elsewhere in this annual report. The operating results in any period are not necessarily indicative of the results that may be expected for any future period.

	Year ended December 31,					
	2017		2016		2015	
	(in thousands, except percentages)					
Consolidated Statements of profit or loss and other comprehensive income:						
Revenues ⁽¹⁾	\$ 413,439	100.0%	\$ 322,856	100.0%	\$ 253,796	100.0%
Cost of revenues ⁽²⁾	(263,171)	(63.7)%	(191,395)	(59.3)%	(160,292)	(63.2)%
Gross profit	150,268	36.3%	131,461	40.7%	93,504	36.8%
Selling, general and administrative expenses ⁽³⁾	(110,808)	(26.8)%	(81,889)	(25.4)%	(71,594)	(28.2)%
Other operating (expenses) income, net ⁽⁴⁾	(6,294)	(1.5)%	—	—%	1,820	0.7%
Profit from operations	33,166	8.0%	49,572	15.3%	23,730	9.3%
Gain on transactions with bonds ⁽⁵⁾	—	—%	—	—%	19,102	7.5%
Finance income	7,956	1.9%	16,215	5.0%	27,555	10.9%
Finance expense	(11,036)	(2.7)%	(19,227)	(6.0)%	(20,952)	(8.3)%
Finance (expense) income, net ⁽⁶⁾	(3,080)	(0.7)%	(3,012)	(1.0)%	6,603	2.6%
Other income and expenses, net ⁽⁷⁾	8,458	2.0%	3,629	1.1%	605	0.2%
Profit before income tax	38,544	9.3%	50,189	15.4%	50,040	19.6%
Income tax ⁽⁸⁾	(8,081)	(2.0)%	(14,327)	(4.4)%	(18,420)	(7.3)%
Net income for the year	<u>\$ 30,463</u>	7.4%	<u>\$ 35,862</u>	11.0%	<u>\$ 31,620</u>	12.3%

- (1) Includes transactions with related parties of \$5,590, \$6,462 and \$6,655 for the years ended December 31, 2017, 2016 and 2015, respectively.
- (2) Includes depreciation and amortization expense of \$4,339, \$4,281 and \$4,441 for the years ended December 31, 2017, 2016 and 2015, respectively. Also includes share based compensation for \$5,666, \$917 and \$735 for the years ended December 31, 2017, 2016 and 2015, respectively.
- (3) Includes depreciation and amortization expense of \$11,789, \$6,637 and \$4,860 for the years ended December 31, 2017, 2016 and 2015, respectively. Also includes share based compensation of \$8,798, \$2,703 and \$1,647 for the years ended December 31, 2017, 2016 and 2015, respectively.
- (4) Includes an impairment of tax credits of \$1,586 for the year ended December 31, 2017 (see note 4.11 to our audited consolidated financial statements) and a recovery of \$1,820 for the year ended December 31, 2015 related to a reversal of the allowance of impairment of tax credits. As of December 31, 2017 includes an impairment of intangibles assets of \$4,708 (see note 4.12 to our audited consolidated financial statements).

- (5) Includes a gain on transactions with bonds of \$19,102 acquired with funds from capitalizations received by our Argentine subsidiaries for the year ended December 31, 2015. See note 3.17 to our audited consolidated financial statements.
- (6) Includes foreign exchange loss, net, of \$2,729, \$8,620 and \$10,136 for the years ended December 31, 2017, 2016 and 2015, respectively.
- (7) Includes a gain of \$6,735 and \$418 on the remeasurement of contingent consideration related to the acquisition of Clarice, L4 and WAE, and a gain of \$1,727 and \$2,981 related to the remeasurement of the fair value of the call and put option over our non-controlling interest in Dynaflores for the years ended December 31, 2017 and 2016, respectively. Also includes a gain of \$225 related to the bargain business combination of Difier for the year ended December 31, 2016. See notes 23, 27.10.1 and 27.10.2 to our audit consolidated financial statements. Includes a gain related to the valuation at fair value of our 22.7% share interest held in Dynaflores of \$625 for the year ended December 31, 2015. See note 23 to our audited consolidated financial statements.
- (8) Includes deferred tax gains of \$5,972, \$730 and \$1,102 for the years ended December 31, 2017, 2016 and 2015, respectively.

2017 Compared to 2016

Revenues

Revenues were \$413.4 million for 2017, representing an increase of \$90.5 million, or 28.1%, from \$322.9 million for 2016.

Revenues from North America increased by \$64.7 million, or 24.8%, to \$325.6 million for 2017 from \$260.9 million for 2016. Revenues from Latin America and other countries increased by \$17.2 million, or 54.8%, to \$48.6 million for 2017 from \$31.4 million for 2016. Revenues from Europe increased by \$9.2 million, or 31.4%, to \$38.5 million for 2017 from \$29.3 million for 2016. Revenues from Asia decreased by \$0.6 million, or 46.2%, to \$0.7 million for 2017 from \$1.3 million for 2016.

Revenues from technology and telecommunications clients increased by \$9.2 million, or 17.9%, to \$60.6 million for 2017 from \$51.4 million for 2016. The increase in revenues from clients in this industry vertical was primarily attributable to higher demand in gaming, consumer experience services and the cross-selling capabilities of our Studios. Revenues from media and entertainment clients increased by \$31.7 million, or 46.7%, to \$99.6 million for 2017 from \$67.9 million for 2016. The increase in revenues from clients in this industry vertical was primarily attributable to a higher demand for our gaming solutions, mobile applications, and consumer experience practices. Revenues from professional services clients decreased by \$1.6 million, or 3.8%, to \$40.7 million for 2017 from \$42.3 million for 2016. The decrease in revenues from clients in this industry vertical was primarily attributable to lower demand for services related to enterprise consumerization, digital content and consumer experience solutions. Revenues from consumer, retail and manufacturing clients increased by \$7.3 million, or 25.4%, to \$36.0 million for 2017 from \$28.7 million for 2016. The increase in revenues from clients in this industry vertical was primarily attributable to higher demand for services related to gaming, mobile applications, user experience and social practices, supported by the cross-selling capabilities of our Studios. Revenues from banks, financial services and insurance clients increased by \$35.2 million, or 58.9%, to \$95.0 million for 2017 from \$59.8 million for 2016. The increase in revenues from clients in this industry vertical was primarily attributable to higher demand for services related to high performance, analytics, cloud and mobile. Revenues from travel and hospitality clients increased by \$5.0 million, or 7.9%, to \$68.4 million for 2017 from \$63.4 million for 2016. This increase is primarily attributable to large increase in demand for consumer experience and automated testing services. Revenues from clients in other verticals increased by \$3.7 million, or 39.4%, to \$13.1 million for 2017 from \$9.4 million for 2016.

Revenues from our top ten clients in 2017 increased by \$23.1 million, or 15.4%, to \$173.3 million for 2017 from \$150.2 million for 2016, reflecting our ability to increase the scope of our engagement with our main customers. Revenues from our largest client for 2017, Walt Disney Parks and Resorts Online, increased by \$11.0 million, or 35.5%, to \$42.0 million for 2017 from \$31.0 million for 2016. Revenues from our largest client for 2016, Southwest Airlines Co., decreased by \$4.3 million, or 13.8%, to \$26.9 million from \$31.2 million for 2016.

Cost of Revenues

Cost of revenues was \$263.2 million for 2017, representing an increase of \$71.8 million, or 37.5%, from \$191.4 million for 2016. The increase was primarily attributable to the net addition of 1,060 IT professionals since December 31, 2016, an increase of 20.3%, to satisfy growing demand for our services, which translated into an increase in salaries. Cost of revenues as a percentage of revenues increased to 63.7% for 2017 from 59.3% for 2016. The increase was primarily attributable to the higher variation in exchange rate lag with respect to actual salary increases in nominal Argentine pesos, and to an expansion of our delivery footprint in United States during 2017.

Salaries, employee benefits, social security taxes and share based compensation, the main component of cost of revenues, increased by \$67.6 million, or 38.1% to \$245.0 million for 2017 from \$177.4 million for 2016. Salaries, employee benefits and social security taxes include a \$5.7 million share-based compensation expense in 2017 and \$0.9 million share-based compensation expense in 2016.

Depreciation and amortization expense was \$4.3 million for 2017 and 2016.

Travel and housing was \$6.6 million for 2017 and 2016.

Selling, General and Administrative Expenses

Selling, general and administrative expense was \$110.8 million for 2017, representing an increase of \$28.9 million from \$81.9 million for 2016. The increase was primarily attributable to \$18.4 million increase in salaries, employee benefits, social security taxes and share based compensation related to the addition of a number of senior sales executives in our main market, the United States; a \$5.2 million increase in depreciation and amortization expense; and \$3.3 million increase in office expenses, rental expenses related to the opening of our new delivery centers. In addition, there was a \$2.3 million increase in professional fees including audit and other professional services. Allowances for doubtful accounts decreased by \$1.0 million. Selling, general and administrative expenses as a percentage of revenues increased to 26.8% for 2017 from 25.4% for 2016. Share-based compensation expense within selling, general and administrative expenses accounted for \$8.8 million, or 2.1%, as a percentage of revenues for 2017, and \$2.7 million, or 0.8%, as a percentage of revenues for 2016.

Other operating expenses, net

Other operating expenses was \$6.3 million for 2017. The loss was due to the recognition of an impairment of tax credits of \$1.6 million and an impairment of intangibles assets of \$4.7 million.

Finance Income

Finance income for 2017 was \$8.0 million compared to \$16.2 million for 2016, resulting primarily from foreign exchange gains of \$6.3 million as compared to \$6.2 million in 2016, and gains from short-term investments of \$1.2 million as compared to \$9.9 million in 2016.

Finance Expense

Finance expense decreased to \$11.0 million for 2017 from \$19.2 million for 2016, primarily reflecting a foreign exchange loss of \$9.0 million mainly related to the impact of the weakening of some Latin American currencies against the U.S. dollar on our monetary assets denominated in such currencies, a loss of \$0.6 million arising from held-for-trading investments and interest expense of \$0.9 million. Other financial expenses totaled \$0.5 million.

Other Income and Expenses, Net

Other income and expenses, net increased to a gain of \$8.5 million for 2017 from a gain of \$3.6 million for 2016. Our 2017 gain includes a gain of \$6.7 million on the remeasurement of contingent consideration related to the acquisition of Clarice, L4 and WAE (see notes 23, 27.10.1 and 27.10.2 of our consolidated financial statements), and a gain of \$1.7 million related to the remeasurement at fair value of the call and put option over our non-controlling interest in Dynaflo.

Income Tax

Income tax expense amounted to \$8.1 million for 2017, a decrease of \$6.2 million from a \$14.3 million income tax expense for 2016. The decrease in income tax expense was attributable to lower gain related to Argentine forward contracts and the reduced impact of the devaluation of the Argentine peso. Our effective tax rate (calculated as income tax gain or expense divided by the profit before income tax) decreased to 21.0% for 2017 from 28.5% for 2016, principally driven by a more balanced distribution of gains and costs across the company.

Net Income for the Year

As a result of the foregoing, we had a net income of \$30.5 million for 2017, compared to \$35.9 million for 2016.

2016 Compared to 2015

Revenues

Revenues were \$322.9 million for 2016, representing an increase of \$69.1 million, or 27.2%, from \$253.8 million for 2015.

Revenues from North America increased by \$48.5 million, or 22.8%, to \$260.9 million for 2016 from \$212.4 million for 2015. Revenues from Latin America and other countries increased by \$4.9 million, or 18.5%, to \$31.4 million for 2016 from \$26.5 million for 2015. Revenues from Europe increased by \$15.8 million, or 117.0%, to \$29.3 million for 2016 from \$13.5 million for 2015. Revenues from Asia decreased by \$0.1 million, or 7.1%, to \$1.3 million for 2016 from \$1.4 million for 2015.

Revenues from technology and telecommunications clients decreased by \$0.4 million, or 0.8%, to \$51.4 million for 2016 from \$51.8 for 2015. The decrease in revenues from clients in this industry vertical was primarily attributable to lower demand in gaming, consumer experience services and the cross-selling capabilities of our Studios. Revenues from media and entertainment clients increased by \$6.1 million, or 9.9%, to \$67.9 million for 2016 from \$61.8 million for 2015. The increase in revenues from clients in this industry vertical was primarily attributable to a higher demand for our gaming solutions, mobile applications, and consumer experience practices. Revenues from professional services clients increased by \$5.8 million, or 15.9%, to \$42.3 million for 2016 from \$36.5 million for 2015. The increase in revenues from clients in this industry vertical was primarily attributable to growth in demand for services related to enterprise consumerization, digital content and consumer experience solutions. Revenues from consumer, retail and manufacturing clients decreased by \$0.1 million, or 0.3%, to \$28.7 million for 2016 from \$28.8 million for 2015. The decrease in revenues from clients in this industry vertical was primarily attributable to lower demand for services related to mobile applications, testing services, user experience and social practices, supported by the cross-selling capabilities of our Studios. Revenues from banks, financial services and insurance clients increased by \$27.8 million, or 86.9%, to \$59.8 million for 2016 from \$32.0 million for 2015. The increase in revenues from clients in this industry vertical was primarily attributable to higher demand for services related to high performance, analytics, cloud and mobile. Revenues from travel and hospitality clients increased by \$24.5 million, or 63.0% to \$63.4 million for 2016 from \$38.9 million for 2015. This increase is primarily attributable to large increase in demand for consumer experience and automated testing services. Revenues from clients in other verticals increased by \$5.4 million, or 135.0%, to \$9.4 million for 2016 from \$4.0 million for 2015.

Revenues from our top ten clients in 2016 increased by \$31.7 million, or 26.8%, to \$150.2 million from revenues of \$118.5 million in 2015, reflecting our ability to increase the scope of our engagement with our main customers. Revenues from our largest client for 2015, Walt Disney Parks and Resorts Online, decreased by \$0.1 million, or 0.3%, to \$31.0 million for 2016 from \$31.1 million for 2015. Revenues from our largest client for 2016, Southwest Airlines Co., increased by \$16.6 million, or 113.7%, to \$31.2 million from \$14.6 million for 2015.

Cost of Revenues

Cost of revenues was \$191.4 million for 2016, representing an increase of \$31.1 million, or 19.4%, from \$160.3 million for 2015. The increase was primarily attributable to the net addition of 606 IT professionals since December 31, 2015, an increase of 13.3%, to satisfy growing demand for our services, which translated into an increase in salaries. Cost of revenues as a percentage of revenues decreased to 59.3% for 2016 from 63.2% for 2015. The decrease was primarily attributable to the lower variation in exchange rate lag with respect to actual salary increases in nominal Argentine pesos during 2016.

Salaries, employee benefits, social security taxes and share based compensation, the main component of cost of revenues, increased by \$30.4 million, or 20.7% to \$177.4 million for 2016 from \$147.0 million for 2015. Salaries, employee benefits and social security taxes include a \$0.9 million share-based compensation expense in 2016 and \$0.7 million share-based compensation expense in 2015.

Depreciation and amortization expense included in the cost of revenues decreased by \$0.1 million, or 2.3%, to \$4.3 million for 2016 from \$4.4 million for 2015.

Travel and housing decreased by \$0.1 million, or 1.5%, to \$6.6 million for 2016 from \$6.7 million for 2015. The decrease was primarily attributable to efficiencies in the allocation of employees to projects.

Selling, General and Administrative Expenses

Selling, general and administrative expense was \$81.9 million for 2016, representing an increase of \$10.3 million from \$71.6 million for 2015. The increase was primarily attributable to a \$3.7 million increase in salaries, employee benefits, social security taxes and share based compensation related to the addition of a number of senior sales executives in our main market, the United States; a \$1.7 million increase in depreciation and amortization expense; a \$2.9 million increase in office and rental expenses; and a \$1.7 million increase in Travel and housing. The increases in office expenses, rental expenses and depreciation and amortization expense were related to the opening of the new delivery centers. In addition, there was a \$0.1 million increase in professional fees including audit and other professional services. Allowances for doubtful accounts increased by \$0.7 million. Selling, general and administrative expenses as a percentage of revenues decreased to 25.4% for 2016 from 28.2% for 2015. Share-based compensation expense within selling, general and administrative expenses accounted for \$2.7 million, or 0.8%, as a percentage of revenues for 2016, and \$1.6 million, or 0.6%, as a percentage of revenues for 2015.

Other operating income

During 2016, we did not record any impairment of tax credits compared to a gain of \$1.8 million for 2015. As of December 31, 2015, the remaining allowance for impairment of tax credits was offset against the carrying value of related Software Promotion Law tax credits.

Gain on Transactions with Bonds

Gain on transactions with bonds was zero for 2016 compared to \$19.1 million for 2015 due to the fact that we did not engage in these types of transactions during 2016.

Finance Income

Finance income for 2016 was \$16.2 million compared to \$27.6 million for 2015, resulting primarily from foreign exchange gains of \$6.2 million as compared to \$9.2 million in 2015 and gains from short-term investments, primarily related to forward contracts, of \$9.9 million as compared to \$18.4 million in 2015.

Finance Expense

Finance expense decreased to \$19.2 million for 2016 from \$21.0 million for 2015, primarily reflecting a foreign exchange loss of \$14.8 million mainly related to the impact of the weakening of the Argentine peso against the U.S. dollar on our Argentine peso-denominated monetary assets, a loss of \$3.0 million arising from held-for-trading investments and interest expense of \$0.8 million. Other financial expenses totaled \$0.6 million.

Other Income and Expenses, Net

Other income and expenses, net increased to a gain of \$3.6 million for 2016 from a gain of \$0.6 million for 2015. Our 2016 gain includes a gain of \$0.4 million on the remeasurement of contingent consideration related to the acquisition of Clarice (see note 27.10.1 of our consolidated financial statements), a gain of \$3.0 million related to the remeasurement at the fair value of the call and put option over our non-controlling interest in Dynaflows and a gain of \$0.2 million related to the bargain business combination of Difier (see note 27.10.2, of our consolidated financial statements).

Income Tax

Income tax expense amounted to \$14.3 million for 2016, a decrease of \$4.1 million from a \$18.4 million income tax expense for 2015. The decrease in income tax expense was attributable to lower gain related to Argentine forward contracts and the reduced impact of the devaluation of the Argentine peso. Our effective tax rate (calculated as income tax gain or expense divided by the profit before income tax) decreased to 28.5% for 2016 from 36.8% for 2015, principally driven by the decrease in the taxable foreign exchange gain from the devaluation of the Argentine peso.

Net Income for the Year

As a result of the foregoing, we had a net income of \$35.9 million for 2016, compared to \$31.6 million for 2015.

B. Liquidity and Capital Resources

Liquidity and Capital Resources

Capital Resources

Our primary sources of liquidity are cash flows from operating activities. For the year 2017, we derived 88.1% of our revenues from clients in North America and Europe pursuant to contracts that are entered into by our subsidiaries located in the United States, Spain and the United Kingdom.

Our primary cash needs are for capital expenditures (consisting of additions to property and equipment and to intangible assets) and working capital. From time to time we also require cash to fund acquisitions of businesses.

Our primary working capital requirements are to finance our payroll-related liabilities during the period from delivery of our services through invoicing and collection of trade receivables from clients.

We incur capital expenditures to open new delivery centers, for improvements to existing delivery centers, for infrastructure-related investments and to acquire software licenses.

We will continue to invest in our subsidiaries. In the event of any repatriation of funds or declaration of dividends from our subsidiaries, there will be a tax effect because dividends from certain foreign subsidiaries are subject to taxes.

The following table sets forth our historical capital expenditures for the years ended December 31, 2017, 2016 and 2015:

	Year ended December 31,		
	2017(***)	2016(**)	2015(*)
	(In thousands)		
Capital expenditures	\$ 26,314	\$ 21,856	\$ 16,859

* Excludes impact of Clarice and Dynaflows acquisitions for the year ended December 31, 2015.

** Excludes impact of WAE, Difier and L4 acquisitions for the year ended December 31, 2016.

*** Excludes impact of Ratio and PointSource acquisitions for the year ended December 31, 2017.

Investments

During 2015, we invested \$16.9 million in capital expenditures, primarily in setting up our delivery centers in México City, México, Pune, India, Buenos Aires, Argentina and Medellín, Colombia. We also invested in the acquisition of land in Tandil, Argentina, where we plan to build a new facility to consolidate our regional delivery centers.

During 2016, we invested \$21.9 million in capital expenditures, primarily to establish our delivery centers in Mexico City, Mexico, Pune, India and Bogota, Colombia.

During 2017, we invested \$26.3 million in capital expenditures, primarily to establish our delivery centers in La Plata and Tandil, Argentina, Madrid, Spain, Bogotá and Medellín, Colombia and New York, U.S.

Acquisitions

On May 14, 2015, we acquired Clarice, an innovation consulting and software development firm in India, for an aggregate purchase price of up to \$20.2 million, \$10.9 million of which is payable on a deferred basis and subject to reduction upon the occurrence of certain events relating to Clarice's billable hours growth during the three years following our acquisition of it.

On May 23, 2016 we acquired WAE, a a service design consultancy, specializing in three distinct but complementary service offerings (Research, Strategy and Creative) for an aggregate purchase price of \$19.9 million, of which \$11.4 million is payable on a deferred basis and subject to reduction upon the occurrence of certain events relating to, among other things, WAE's gross revenue and gross profit during the two years following our acquisition of it.

On November 14, 2016, we entered into a stock purchase agreement with 3C to purchase 100% of the capital stock of Difier for an aggregate purchase price of \$0.025 million. Difier is engaged in the business of providing information technology support services to 3C, which has been and remains the only customer of Difier.

On November 14, 2016, we acquired 100% of shares of L4. L4 offers the digital product consulting, design, development and quality assurance services necessary to build and manage robust digital products. The aggregate purchase price amounted to \$20.4 million, of which \$9.4 million is payable on a deferred basis and subject to reduction upon the occurrence of certain events relating, among other things, to L4's gross revenue and gross profit during the two years following our acquisition of it.

On February 28, 2017, we acquired 100% of shares of Ratio Cypress, LLC. Ratio offers design, development and quality assurance services necessary to build and manage robust digital products and video streaming solutions for major media companies. The aggregate purchase price amounted to \$9.5 million, of which \$3.7 million is payable on a deferred basis and subject to reduction upon the occurrence of certain events relating, among other things, to Ratio's gross revenue and gross profit during the three years following our acquisition of it.

On June 1, 2017, we acquired 100% of shares of PointSource, LLC. PointSource offers digital solutions to its customers which include design, digital strategy, development and marketing services. The aggregate purchase price amounted to \$28.6 million, of which \$13.1 million is payable on a deferred basis and subject to reduction upon the occurrence of certain events relating to, among other things, to PointSource's gross revenue and gross profit during the two years following our acquisition of it.

As of December 31, 2017, we had cash and cash equivalents and investments of \$60.7 million.

Cash Flows

The following table summarizes our cash flows from operating, investing and financing activities for the periods indicated:

	For the year ended December 31,		
	2017	2016	2015
Net cash provided by (used in) operating activities	42,989	31,480	(5,315)
Net cash (used in) provided by investing activities	(57,534)	(27,999)	5,531
Net cash provided by financing activities	16,598	7,699	1,998
Effect of exchange rate changes on cash and cash equivalents	(60)	2,632	311
Cash and cash equivalents at beginning of the year	50,532	36,720	34,195
Cash and cash equivalents at end of the year	52,525	50,532	36,720
Net increase in Cash and cash equivalents at end of year	1,993	13,812	2,525

Operating Activities

Net cash provided by operating activities consists primarily of profits before taxes adjusted for non-cash items, including depreciation and amortization expense, and the effect of working capital changes.

Net cash provided by operating activities was \$43.0 million for the year ended December 31, 2017 as compared to net cash provided in operating activities of \$31.5 million for the year ended December 31, 2016. This increase of \$11.5 million in net cash provided by operating activities was primarily attributable to a \$5.7 million increase in profit before income tax expense adjusted for non-cash-items, a \$8.5 million increase in working capital and a \$2.7 million increase in income tax payments, net of reimbursements.

Changes in working capital in the year ended December 31, 2017 consisted primarily of a \$25.6 million increase in trade receivables, a \$1.2 million decrease in other receivables, a \$4.3 million increase in trade payables, and increase in utilization of provision for contingencies of \$0.9 million, a \$0.7 million decrease in tax liabilities, and \$7.6 million increase in payroll and social security taxes payable. The \$25.6 million increase in trade receivables reflects our revenue growth. The \$1.2 million decrease in other receivables was mainly related to the decrease in Software Promotion Regime credit. Payroll and social security taxes payable increased to \$40.5 million as of December 31, 2017 from \$30.3 million as of December 31, 2016, primarily as a result of the growth in our headcount in line with our expansion.

Net cash provided in operating activities was \$31.5 million for the year ended December 31, 2016, as compared to net cash used in operating activities of \$5.3 million for the year ended December 31, 2015. This increase of \$36.8 million in net cash provided by operating activities was primarily attributable to a \$29.6 million increase in profit before income tax expenses adjusted for non-cash items, a \$4.9 million increase in working capital and a \$2.3 million decrease in income taxes paid.

Changes in working capital in the year ended December 31, 2016 consisted primarily of a \$5.8 million increase in trade receivables, a \$17.1 million increase in other receivables, a \$1.2 million decrease in trade payables, and a \$1.8 million decrease in tax liabilities, partially offset by a \$3.3 million increase in payroll and social security taxes payable. The \$5.8 million increase in trade receivables reflects our revenue growth. The \$17.1 million increase in other receivables was mainly related to the increase in Software Promotion Regime credit. Payroll and social security taxes payable increased to \$30.3 million as of December 31, 2016 from \$25.6 million as of December 31, 2015, primarily as a result of the growth in our headcount in line with our expansion.

Investing Activities

Net cash of \$57.5 million was used in investing activities for the year ended December 31, 2017 as compared to \$28.0 million of net cash used in investing activities during the year ended December 31, 2016. During the year ended December 31, 2017, we invested in mutual funds and sovereign bonds, which generated a cash flow of \$1.7 million, we invested \$27.5 million in fixed and intangible assets and \$31.1 million in acquisition-related transactions, and we lost proceeds of \$0.6 million from forward contracts.

Net cash of \$28.0 million was used in investing activities for the year ended December 31, 2016, as compared to \$5.5 million of net cash provided by investing activities during the year ended December 31, 2015. During the year ended December 31, 2016, we invested in mutual funds and sovereign bonds, which generated a cash flow of \$20.4 million, \$24.0 million in fixed and intangible assets and \$23.3 million in acquisition-related transactions, and we lost proceeds of \$1.1 million from forward contracts.

Financing Activities

Net cash of \$16.6 million was provided by financing activities for the year ended December 31, 2017, as compared to \$7.7 million of net cash provided by financing activities for the year ended December 31, 2016. During the year ended December 31, 2017, we received \$5.3 million for the issuance of shares under our share-based compensation plan, \$5.7 million proceeds from subscription agreements and proceeds from borrowing for \$5.8 million.

Net cash of \$7.7 million was provided by financing activities for the year ended December 31, 2016 as compared to \$2.0 million of net cash provided by financing activities for the year ended December 31, 2015. During the year ended December 31, 2016, we received \$1.9 million for the issuance of shares under our share-based compensation plan, \$6.4 proceeds from subscription agreement and paid borrowing for \$0.5 million.

Future Capital Requirements

We believe that our existing cash and cash equivalents and cash flows from operations will be sufficient to meet our anticipated cash needs for at least the next 12 months. In addition, as of December 31, 2017, IAFH Global S.A. had recognized an aggregate of \$1.5 million in value-added tax credits. We expect to monetize the value of those value-added tax credits by way of cash reimbursement from AFIP during 2017.

Our ability to generate cash is subject to our performance, general economic conditions, industry trends and other factors. If our cash and cash equivalents and operating cash flow are insufficient to fund our future activities and requirements, we may need to raise additional funds through public or private equity or debt financing. If we issue equity securities in order to raise additional funds, substantial dilution to existing shareholders may occur. If we raise cash through the issuance of indebtedness, we may be subject to additional contractual restrictions on our business. We cannot assure you that we would be able to raise additional funds on favorable terms or at all.

On August 3, 2017, Globant LLC, our U.S. subsidiary, entered into a secured revolving credit facility with HSBC Bank USA, N.A. and Citibank N.A., with HSBC Bank USA, N.A. acting as administrative agent. Under this credit facility, Globant LLC may borrow up to \$40.0 million in advances accruing interest at LIBOR plus 1.75%. This credit facility is guaranteed by Globant S.A. and Globant España S.A. and is secured by Globant LLC's now owned and after-acquired assets. This facility matures on August 2, 2022 and includes the following covenants: delivery of certain financial information; reports on any legal actions, complying with tax payments; maintain an asset coverage ratio of no less than 1.10; limiting Globant LLC's capital expenditures to 5% of our consolidated annual revenue per year; restricted payments must not to exceed \$10.0 million per year; Globant LLC's annual revenue must remain at no less than 60% of our consolidated annual revenue and Globant LLC's net intercompany payable outstanding with Argentine affiliates must be no more than five months of billings from Argentina.

As of December 31, 2017, \$6.0 million in principal was outstanding this credit facility.

Restrictions on Distribution of Dividends by Certain Subsidiaries

The ability of certain of our subsidiaries to pay dividends to us is subject to their having satisfied requirements under local law to set aside a portion of their net income in each year to legal reserves, as described below.

In accordance with Argentine and Uruguayan companies law, our subsidiaries incorporated in Argentina and in Uruguay must set aside at least 5% of their net income (determined on the basis of their statutory accounts) in each year to legal reserves, until such reserves equal 20% of their respective issued share capital. As of December 31, 2017, required legal reserves at our Argentine subsidiaries amounted to \$0.8 million and had been set aside as of that date. As of that date, our Uruguayan subsidiary had set aside a legal reserve of \$0.04 million, which was fully constituted.

On December 29, 2017, Argentine Law No. 27,430 amending the income tax law was enacted. According to the amendments, for fiscal years beginning on or after January 1, 2018 the distribution of dividends is now subject to a 7% withholding for 2018 and 2019 and 13% withholding for 2020 onwards. The Equalization Tax, which levied distributions made out of previously untaxed income, was eliminated.

On December 23, 2013, the Argentine government adopted a new double taxation treaty with Spain, which applied retroactively from January 1, 2013. According this treaty, the tax applicable on dividends distributed by our Argentine Subsidiaries to the Spain Holdco, is limited to 10% on the gross amount of dividends distributed.

In accordance with Brazilian law, 5% of the net profit of our Brazilian subsidiary must be allocated to form a legal reserve, which may not exceed 20% of its capital. Our Brazilian subsidiary may refrain from allocating resources to the legal reserve during any fiscal year in which the balance of such reserve exceeds 30% of its capital. Our Brazilian subsidiary did not have a legal reserve as of December 31, 2017.

In accordance with Colombian companies law, our Colombian subsidiary must set aside at least 10% of its net income (determined on the basis of its statutory accounts) in each year to legal reserves, until such reserves equal 50% of its issued share capital. As of December 31, 2017, its legal reserves amounted to \$0.0004 million and were fully set aside.

Colombia Law No 1,819, published on December 29, 2016, introduced a withholding tax of 5% on dividend distributions to non-resident. This new fiscal obligation is not applicable to our shareholder due to the tax treaty agreement between Colombia and Spain, entered in force on October 28, 2008.

In accordance with Spanish companies law, our Spanish subsidiaries, must set aside at least 10% of its net income (determined on the basis of its statutory accounts) in each year to legal reserves, until such reserves equal 20% of its issued share capital. As of December 31, 2017, the legal reserve amounted to \$7.9 million for all Spanish subsidiaries.

In accordance with Mexican law, our Mexican subsidiary must set aside at least 5% of its net income for each year to a legal reserve, until such reserve equals 20% of its issued share capital. As of December 31, 2017, the legal reserve amounted to \$0.0 million for our Mexican subsidiary.

In accordance with Peruvian law, our Peruvian subsidiary must set aside at least 10% of its net income for each year to a legal reserve, until such reserve equals 20% of its issued share capital. As of December 31, 2017, no reserves had been set aside.

In accordance with Chilean law, our Chilean subsidiary is not obliged to appropriate any fixed amount of profit to a legal reserve. As of December 31, 2017, there is no legal reserve constituted.

In accordance with Indian law, our Indian subsidiary must set off all losses incurred by it (including carried over losses from the previous financial year) and make a provision for depreciation (including depreciation for the previous year if it was not already provided for) against the profits earned by it prior to declaring any dividends. Since the declaration of dividends under Indian law is discretionary, our Indian subsidiary is not required to allocate a specific portion of its annual profits to a designated legal reserve for purposes of declaring dividends. As of December 31, 2017, the legal reserve amounted to 0.02 million for our Indian subsidiary.

In addition, with respect to our Argentine subsidiaries, although the transfer of funds abroad by local companies in order to pay annual dividends to foreign shareholders does not require formal approval by the Argentine Central Bank, in the past, the decrease in availability of U.S. Dollars in Argentina had led the Argentine government to impose informal restrictions on local companies and individuals for purchasing foreign currency for the purpose of making payments abroad, such as dividends. Even when the current Argentine administration has lifted most of the foreign exchange restrictions providing greater flexibility and access to the foreign exchange market, the imposition of future exchange restrictions could impair or prevent the conversion of anticipated dividends or distributions payable to us by those subsidiaries from Argentine pesos into U.S. dollars. For further information on these exchange controls, see "Risk Factors — Risks Related to Operating in Latin America and Argentina — Argentina — The imposition in the future of restrictions on transfers of foreign currency and the repatriation of capital from Argentina may impair our ability to receive dividends and distributions from, and the proceeds of any sale of, our assets in Argentina." and "Information on the Company — Business Overview — Regulatory Overview — Foreign Exchange Controls."

Equity Compensation Arrangements

On July 3, 2014, our board of directors and shareholders approved and adopted the 2014 Equity Incentive Plan, which was amended by our board of directors on May 9, 2016 to increase the number of common shares that may be issued as stock awards from 1,666,667 to 3,666,667.

Under the terms of our 2014 Equity Incentive Plan, from its adoption until the date of this annual report, we have granted to members of our senior management and certain other employees 30,000 stock awards, options to purchase 2,103,456 common shares and 344,523 restricted stock units. Most of the options and the restricted stock units under the plan were granted with a vesting period of four years, 25% of the options becoming exercisable on each anniversary of the grant date. Share-based compensation expense for awards of equity instruments is determined based on the fair value of the awards at the grant date. Each of our employee share options is exercisable for one of our common shares, and each of our restricted stock units will be settled, automatically upon its vesting, with one of our common shares. No amounts are paid or payable by the recipient on receipt of an option or a restricted stock units. Neither the options nor the restricted stock units carry rights to dividends or voting rights. Options may be exercised at any time from the date of vesting to the date of their expiration (ten years after the grant date).

Share-based compensation expense for awards of equity instruments to employees is determined based on the grant-date fair value of the awards. Fair value is calculated using the Black-Scholes option pricing model.

There were 1,933,239 outstanding stock options as of December 31, 2015, 2,658,595 outstanding stock options as of December 31, 2016 and 2,320,710 outstanding stock options and restricted stock units as of December 31, 2017. For 2017, 2016 and 2015, we recorded \$14.5 million, \$3.6 million and \$2.4 million of share-based compensation expense related to these share option and restricted stock unit agreements, respectively.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with IFRS, which require us to make judgments, estimates and assumptions about (i) the reported amounts of assets and liabilities, (ii) disclosure of contingent assets and liabilities at the end of each reporting period and (iii) the reported amounts of revenues and expenses during each reporting period. We evaluate these estimates and assumptions based on historical experience, knowledge and assessment of current business and other conditions, and expectations regarding the future based on available information and reasonable assumptions, which together form a basis for making judgments about matters not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from those estimates.

Some of our accounting policies require higher degrees of judgment than others in their application. When reviewing our consolidated financial statements, you should consider (i) our selection of critical accounting policies, (ii) the judgment and other uncertainties affecting the application of such policies and (iii) the sensitivity of reported results to changes in conditions and assumptions. We consider the policies discussed below to be critical to an understanding of our consolidated financial statements as their application places significant demands on the judgment of our management.

An accounting policy is considered to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact our consolidated financial statements. We believe that the following critical accounting policies are the most sensitive and require more significant estimates and assumptions used in the preparation of our consolidated financial statements. You should read the following descriptions of critical accounting policies, judgments and estimates in conjunction with our consolidated financial statements and other disclosures included in this annual report.

Revenue Recognition

We use the percentage-of-completion method in accounting for fixed-price contracts. Use of the percentage-of-completion method requires that we estimate each contract's total labor cost to date as a proportion of the total expected labor cost.

This method is followed where reasonably dependable estimates of revenues and costs can be made. Fixed-price contracts generally correspond for services over a period of 12 months or less. Some fixed-price contracts are recurring contracts that establish a fixed amount per month and do not require to apply significant judgment in accounting for those types of contracts. In consequence, the use of estimates is only applicable for those contracts that are ongoing at the year end and that are not recurring.

Reviews to these estimates may result in increases or decreases to revenues and income and are reflected in the consolidated financial statements in the periods in which they are first identified. If the estimates indicate that a contract loss will be incurred, a loss provision is recorded in the period in which the loss first becomes probable and reasonably estimable. Contract losses are determined to be the amount by which the estimated costs of the contract exceed the estimated total revenues that will be generated by the contract and are included in cost of revenues in the consolidated statement of income and other comprehensive income. Contract losses for the periods presented in these consolidated financial statements were immaterial.

Goodwill impairment analysis

Goodwill is measured as the excess of the cost of an acquisition over the sum of the amounts assigned to tangible and intangible assets acquired less liabilities assumed. The determination of the fair value of tangible and intangible assets involves certain judgments and estimates. These judgments can include, but are not limited to, the cash flows that an asset is expected to generate in the future and the appropriate weighted average cost of capital.

We evaluate goodwill for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. When determining the fair value of our cash generating unit, we utilize the income approach using discounted cash flow. The income approach considers various assumptions including increase in headcount, headcount utilization rate income from each country and revenue per employee, income tax rates and discount rates. The assumptions we considered as of December 31, 2017 are the following: projected cash flows for the following five years, the average growth rate considered was 21.5% and the rate used to discount cash flows was 10.58%. The long-term rate used to extrapolate cash flows beyond the projected period was 3%.

Any adverse changes in key assumptions about the businesses and its prospects or an adverse change in market conditions may cause a change in the estimation of fair value and could result in an impairment charge. Based upon our evaluation of goodwill, no impairments were recognized during 2017, 2016 and 2015.

Income Taxes

Determining the consolidated provision for income tax expense, deferred income tax assets and liabilities, requires significant judgment. The provision for income taxes includes federal, state, local and foreign taxes. Deferred tax assets and liabilities are recognized for the estimated future tax consequences in each of the jurisdictions where we operate of temporary differences between the financial statement carrying amounts and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which the temporary differences are expected to be reversed. Changes to enacted tax rates would result in either increases or decreases in the provision for income taxes in the period of changes.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax assets to be utilized. This assessment requires judgments, estimates, and assumptions by our management. In evaluating our ability to utilize deferred tax assets, we consider all available positive and negative evidence, including the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are recoverable. Our judgments regarding future taxable income are based on expectations of market conditions and other facts and circumstances. Any adverse change to the underlying facts or our estimates and assumptions could require that we reduce the carrying amount of its net deferred tax assets.

Share-based compensation plan

Under our share-based compensation plan for employees is measured based on fair value of our shares at the grant date and recognized as compensation expense on a straight-line basis over the requisite service period, with a corresponding impact reflected in additional paid-in capital.

Determining the fair value of the share-based awards at the grant date requires judgments. We calculated the fair value of each option award on the grant date using the Black-Scholes option pricing model. The Black-Scholes model requires the input of highly subjective assumptions, including the fair value of our shares, expected volatility, expected term, risk-free interest rate and dividend yield.

Fair value of the shares: For 2014 Equity Incentive Plan, the fair value of the shares is based on the quoted market price of our shares at the grant date. For 2012 Equity Incentive Plan, as our shares were not publicly traded the fair value was determined using the market approach technique based on the value per share of private placements. We had gone in the past through a series of private placements in which new shares have been issued. We understood that the price paid for those new shares was a fair value of those shares at the time of the placement. In January 2012, Globant España S.A. had a capital contribution from a new shareholder, which included cash plus share options granted to the new shareholder, therefore, we considered that amount to reflect the fair value of their shares. The fair value of the shares related to this private placement resulted from the following formula: cash minus fair value of share options granted to new shareholder divided by number of newly issued shares. The fair value of the share options granted to the new shareholder was determined using the same variables and methodologies as the share options granted to the employees. After our reorganization in December 2012, shares of Globant S.A (Luxembourg) were sold by existing shareholders in a private placement to WPP. The fair value of the shares related to this private placement results from the total amount paid by WPP to the existing shareholders.

Expected volatility: As we do not have sufficient trading history for the purpose of valuing our share options, the expected volatility of our shares was estimated by using the average historic price volatility of the NASDAQ 100 Telecommunication Index.

Expected term: The expected life of options represents the period of time the granted options are expected to be outstanding.

Risk free rate: The risk-free rate for periods within the contractual life of the option is based on the U.S. Federal Treasury yield curve with maturities similar to the expected term of the options.

Dividend yield: We have never declared or paid any cash dividends and do not presently plan to pay cash dividends in the foreseeable future. Consequently, we used an expected dividend yield of zero.

Call option over non-controlling interest

As of December 31, 2017 and 2016, we held a call option to acquire 33.27% of the remaining interest in Dynaflows S.A., which could be exercised from October 22, 2020 until October 21, 2021. We calculated the fair value of this option using the Black-Scholes option model. The Black-Scholes model requires the input of highly subjective assumptions, including the expected volatility, maturity, risk-free interest rate, value of the underlying asset and dividend yield.

Expected volatility: We have considered annualized volatility as multiples of EBITDA and revenue of publicly traded companies in the technology business in the U.S., Europe and Asia since 2008.

Maturity: The combination between the call and put options (explained in note 23 to the Consolidated Financial Statements included in this annual report) implied that, assuming no liquidity restrictions at the moment that the option was exercisable and considering that both parties wanted to maximize their benefits, we would acquire the minority shareholders shares at the date that this option was exercisable. Therefore, we have assumed that the maturity date of call option is October 22, 2020.

Risk free rate: The risk-free rate for periods within the contractual life of the option was based on the Argentinean bonds (“BONAR”) with a quote in the U.S. market with maturities similar to the expected term of the option.

Value of the underlying assets: We considered a multiple of EBITDA and revenue resulting from the implied multiple in Dynaflows adjusted by the lack of control.

Dividend yield: We did not presently plan to pay cash dividends in the foreseeable future. Consequently, we used an expected dividend yield of zero.

Recoverability of internally generated intangible assets

During the year, we considered the recoverability of the internally generated intangible asset that is included in our consolidated financial statements as of December 31, 2017 and 2016 with a carrying amount of \$6,395 and \$3,904, respectively.

We conducted a detailed recoverability analysis, considering both revenue from customers in the case of assets sold to third parties and internal usage for those assets that are used internally. As a result of this analysis, we believe that the carrying amount of the internally generated intangible assets will be recovered in full. This situation will be closely monitored, and adjustments made in future periods if future market activity indicates that such adjustments are appropriate.

Fair value measurement and valuation processes

Certain assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, we use market-observable data to the extent it is available. Where Level 1 inputs are not available, if necessary we engage third party qualified valuers to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 27.9 to the Consolidated Financial Statements included in this annual report.

Useful lives of property, equipment and intangible assets

We review the estimated useful lives of property, equipment and intangible assets at the end of each reporting period. We determined that the useful lives of the assets included as property, equipment and intangible assets are in accordance with their expected lives.

Provision for contingencies

Provisions are recognized when we have a present obligation (legal or constructive) as a result of a past event, it is probable that we will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The allowance for Doubtful Accounts

We maintain an allowance for doubtful accounts for estimated losses resulting from the inability of our clients to make required payments. The allowance for doubtful accounts is determined by evaluating the relative credit-worthiness of each client, historical collections experience and other information, including the aging of the receivables. If the financial condition of our customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

The allowance for impairment of tax credits

As of December 31, 2017, we recorded an allowance for impairment of tax credits for an amount of \$1.5 million for estimated losses resulting from substantial doubt about the recoverability of some tax credits. This allowance for impairment of tax credits was determined by estimating future uses of tax credits against value-added tax positions.

The tax credits included in the allowance for impairment are mainly related to Argentine taxation. We estimated the future VAT credit and VAT debit that comes from domestic purchases and sales, respectively. Since exports are zero-rated, any excess portion of the credit not used against any VAT debit is reimbursable to us, through a special VAT recovery regime. However, according to VAT recovery rules, there are certain limitations on the amount that may be reimbursed, and we consider any VAT credit that cannot be reimbursed to be an impairment.

Recoverability of intangible assets acquired in business combinations

We evaluate intangible assets acquired in business combinations for impairment at least annually or more frequently when there is an indication that the asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is the higher of fair value less costs of disposal and value in use. The determination of the fair value of intangible assets acquired in business combinations involves certain judgments and estimates. These judgments can include, but are not limited to, the cash flows that an asset is expected to generate in the future and the appropriate weighted average cost of capital. When determining the fair value, we utilize the income approach using discounted cash flow.

A total amount of \$4.7 million of impairment loss related to the intangible assets acquired in business combinations was recognized as of December 31, 2017 and is included as other operating expenses. The impairment was recognized as a result of our evaluation of such intangible assets, upon which we projected lower future cash flows from the related customer relationships. In 2016 and 2015 no impairment losses were recorded.

Application of New and Revised International Financial Reporting Standards

New accounting pronouncements

We have not applied the following new and revised IFRSs that have been issued but are not yet mandatorily effective:

IFRS 9	<i>Financial Instruments</i> ¹
IFRS 15	<i>Revenue from contracts with customer</i> ¹
IFRS 16	<i>Leases</i> ²
IFRIC 22	<i>Foreign Currency Transactions and Advance Consideration</i> ¹
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i> ⁴
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to IFRS 2	<i>Share-based payments</i> ¹
Clarifications to IFRS 15	<i>Revenue from contracts with customer</i> ¹
Amendments to IAS 28	<i>Annual improvements 2014 -2016 Cycle</i> ¹
Amendment to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> ⁴
Amendment to IFRS 9	<i>Prepayment Features with Negative Compensation</i> ⁴
Amendments to IFRS 3 and 11 and IAS 12 and 23	<i>Annual improvements 2015-2017 Cycle</i> ⁵
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement</i> ⁴
Amendments to References to the Conceptual Framework in IFRS Standards ⁵	

¹ Effective for annual periods beginning on or after January 1, 2018. Early adoption is permitted.

² Effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted if IFRS 15 has also been applied.

³ Effective date deferred indefinitely.

⁴ Effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted.

⁵ Effective for annual periods beginning on or after January 1, 2019.

- In November 2009, the International Accounting Standards Board (IASB) issued IFRS 9, which introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. On July 24, 2014, the IASB published the final version of IFRS 9 'Financial Instruments'. IFRS 9, as revised in July 2014, introduces a new expected credit loss impairment model. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Also limited changes to the classification and measurement requirements for financial assets by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Based on our analysis of financial assets and financial liabilities as of December 31, 2017 on the basis of the facts and circumstances that exists at that date, the directors have performed an assessment of the impact of IFRS 9 to our consolidated financial statements as follows:

- Classification and measurement: all financial assets and financial liabilities will continue to be measured on the same bases as is currently adopted under IAS 39.
- Impairment: our management does not anticipate that the application of the IFRS 9 Impairment requirements will have a material impact on our consolidated financial statements.
- Hedge accounting: our management does not anticipate that the application of the IFRS 9 Hedge accounting requirements will have a material impact on our consolidated financial statements.

It should be noted that the above assessment was made based on our analysis of the financial assets and financial liabilities as of December 31, 2017 on the basis of the facts and circumstances that existed at that date. This new standard is effective for periods beginning on or after January 1, 2018.

- On May 28, 2014 the IASB published its new revenue Standard, IFRS 15 "Revenue from Contracts with Customers". IFRS 15 provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer or promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a five-step approach to revenue recognition:

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contracts
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

On April 12, 2016 the IASB published amendments with clarifications to IFRS 15 'Revenue from Contracts with Customers'. The amendments address the following topics: identifying performance obligations, principal versus agent considerations, and licensing, and provide some transition relief for modified contracts and completed contracts.

Under IFRS 15, an entity recognises revenue when or as performance obligation is satisfied, i.e. when control of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15. The new standard is effective for annual periods beginning on or after January 1, 2018. The standard permits a modified retrospective approach for the adoption. We will apply the standard retrospectively with the cumulative effect recognized at the date of initial application.

We performed an assessment on the five-step approach introduced by IFRS 15 considering its revenue streams. We have written contracts with each customer where a service is provided. Each contract specified a detail of the performance obligation, the transaction price per each performance obligation identified and how this performance obligation is transferred to the customer.

Our services are performed under both time-and-material and fixed-price contracts. For revenues generated under time-and-material contracts, revenues are recognized as services are performed with the corresponding cost of providing those services reflected as cost of revenues when incurred. The majority of such revenues are billed on an hourly, daily or monthly basis whereby actual time is charged directly to the client. We have assessed that these performance obligations are satisfied over time and that the method currently used to measure the progress towards complete satisfaction of these performance obligations will continue to be appropriate under IFRS 15.

We recognize revenues from fixed-price contracts based on the percentage of completion method. Under this method, revenue is recognized in the accounting periods in which services are rendered. We have assessed that these performance obligations are satisfied over time, applying the input method by recognizing revenue on the basis of our efforts to the satisfaction of the performance obligation relative to the total expected inputs to the satisfaction of the performance obligation. Accordingly, the method currently used to measure the progress towards complete satisfaction of these performance obligations will continue to be appropriate under IFRS 15.

Apart from providing more extensive disclosures on our revenue transactions, we do not anticipate that the application of IFRS 15 will have a significant impact on the financial position and/or our financial performance.

- On January 13, 2016, the IASB issued the IFRS 16 which specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, with the distinction between operating and finance leases removed, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value to be accounted for by simply recognizing an expense, typically straight line, over the lease term. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 supersedes IAS 17 and related interpretations. Furthermore, extensive disclosures are required by IFRS 16. As of December 31, 2017, we have non-cancellable operating lease commitments of \$33.5 million for office space and office equipment. IAS 17 does not require the recognition of any right-of-use or liability for future payments for these leases; instead, certain information is disclosed as operating lease commitment in note 26. If these arrangements meet the definition of a lease under IFRS 16, we will recognize a right-of-use asset and a liability in respect of them unless they qualify of a low value or short-term leases upon the application of IFRS 16. In contrast, for finance leases where we are a lessee, we will recognize an asset and a related finance lease liability for the lease arrangement. Management are currently assessing its potential impact of the application of IFRS 16. It is not practicable to provide a reasonable estimate of the financial effect on the amounts recognized in our consolidated financial statements until the management complete the review. The standard is effective for annual periods beginning on or after January 1, 2019, with earlier application being permitted if IFRS 15 has also been applied. We have not opted for early application.
- On December 8, 2016, the IASB published IFRIC 22, which was developed by the IFRS Interpretations Committee to clarify the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The interpretation is being issued to reduce diversity in practice related to the exchange rate used when an entity reports transactions that are denominated in a foreign currency in accordance with IAS 21 in circumstances in which consideration is received or paid before the related asset, expense, or income is recognized.

The interpretation is effective prospectively for annual periods beginning on or after January 1, 2018. Early adoption is permitted. The management does not anticipate that the application of this interpretation will have a material impact on our Financial Statements.

- On June 7, 2017, the IASB published IFRIC 23 "Uncertainty over Income Tax Treatments", which was developed by the IFRS Interpretations Committee to clarify the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. The interpretation specifically considers:
 - Whether tax treatments should be considered collectively.
 - Assumptions for taxation authorities' examinations.
 - The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.
 - The effect of changes in facts and circumstances.

The interpretation is effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted. We have not opted for early application. The management does not anticipate that the application of this interpretation will have any impact on our Financial Statements.

- On September 11, 2014, the IASB issued amendments to IFRS 10 and IAS 28. These amendments clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:
 - require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations);
 - require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognised only to the extent of the unrelated investors' interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in any subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves. On December 17, 2015 the IASB issued an amendment that defers the effective date of the September 2014 amendments to these standards indefinitely until the research project on the equity method has been concluded. Earlier application of the September 2014 amendments continues to be permitted.

- On June 20, 2016, the IASB issued amendments to IFRS 2 (share-based payments). The amendments clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The directors do not anticipate that the application of these amendments will have a material impact on our consolidated financial statements. The amendments are effective prospectively for annual periods beginning on or after January 1, 2018. Early adoption is permitted.
- On December 8, 2016, the IASB issued amendments to IAS 28 (Investments in associates and joint ventures) as a result of the IASB's annual improvement 2014–2016 project. The amendment clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by- investment basis, upon initial recognition.

We do not anticipate that the application of this amendment will have a material impact on our consolidated financial statements. The amendment to IAS 28 is effective for annual periods beginning on or after January 1, 2018. Early adoption is permitted.

- On October 12, 2017 the IASB published the amendment to IAS 28 "Long-term Interests in Associates and Joint Ventures". This amendment clarifies that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

The amendments are to be applied retrospectively but they provide transition requirements similar to those in IFRS 9 for entities that apply the amendments after they first apply IFRS 9. They also include relief from restating prior periods for entities electing, in accordance with IFRS 4 Insurance Contracts, to apply the temporary exemption from IFRS 9. Full retrospective application is permitted if that is possible without the use of hind sight.

The amendments are effective for periods beginning on or after 1 January 2019. Earlier application is permitted. It is not practicable to provide a reasonable financial estimate of the effect until the management complete a review of the application of the amendment. We have not opted for early application.

- On October 12, 2017 the IASB published the amendment to IFRS 9 "Prepayment Features with Negative Compensation". This amendment modifies the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. Under the amendments, the sign of the prepayment amount is not relevant, i. e. depending on the interest rate prevailing at the time of termination, a payment may also be made in favor of the contracting party effecting the early repayment. The calculation of this compensation payment must be the same for both the case of an early repayment penalty and the case of an early repayment gain.

The final amendments also contain (in the Basis for Conclusions) a clarification regarding the accounting for a modification or exchange of a financial liability measured at amortised cost that does not result in the derecognition of the financial liability. The IASB clarifies that an entity recognises any adjustment to the amortised cost of the financial liability arising from a modification or exchange in profit or loss at the date of the modification or exchange. A retrospective change of the accounting treatment may therefore become necessary if in the past the effective interest rate was adjusted and not the amortised cost amount.

The amendments are effective for periods beginning on or after January 1, 2019. Earlier application is permitted. It is not practicable to provide a reasonable financial estimate of the effect until the management complete a review of the application of the amendment. We have not opted for early application.

- On December 12, 2017, the IASB issued amendments to the following standards as result of the IASB's annual improvements 2015-2017 project:
 - IFRS 3 (Business combinations): clarifies that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business.
 - IFRS 11 (Joint arrangements): clarifies that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
 - IAS 12 (Income tax): clarifies that all income tax consequences of dividends (i.e. distribution of profits) should be recognised in profit or loss, regardless of how the tax arises.
 - IAS 23 (Borrowing costs): clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

The management does not anticipate that the application of these amendments will have a material impact on our consolidated financial statements. The amendments are all effective for annual periods beginning on or after January 1, 2019.

- On February 7, 2018, the IASB published the following amendments to IAS 19 "Plan Amendment, Curtailment or Settlement":

- If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement.
- In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The amendments are effective for periods beginning on or after January 1, 2019. Earlier application is permitted but must be disclosed.

- On March 29, 2018, the IASB issued the Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. Not all amendments, however update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the framework they are referencing to (the IASB framework adopted by the IASB in 2001, the IASB framework of 2010, or the new revised framework of 2018) or to indicate that definitions in the standard have not been updated with the new definitions developed in the revised Conceptual Framework. The amendments are effective for annual periods beginning on or after 1 January 2020.

C. Research and Development, Patents and Licenses, etc.

See “Business Overview — Intellectual Property.”

D. Trend Information

See “— Operating Results — Factors Affecting Our Results of Operations.”

E. Off-Balance Sheet Arrangements

As of and for the three years ended December 31, 2017, we were not party to any off-balance sheet arrangements.

F. Tabular Disclosure of Contractual Obligations

Set forth below is information concerning our fixed and determinable contractual obligations as of December 31, 2017 and the effect such obligations are expected to have on our liquidity and cash flows.

	Payments due by period (in thousands)			
	Total	Less than 1 year	2-3 years	More than 4 years
Borrowings	\$ 6,011	\$ 6,011	\$ —	—
Interest to be paid on borrowings	44	44	—	—
Operating lease obligations	34,694	12,736	20,756	1,202
Other financial liabilities ⁽¹⁾	29,238	10,664	18,574	—
Total	\$ 69,987	\$ 29,455	\$ 39,330	\$ 1,202

(1) Relates to Huddle, Clarice, Dynaflo, WAE, L4, Ratio and PointSource acquisitions. See note 23 to our audited consolidated financial statements.

G. Safe harbor

This annual report contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act and as defined in the Private Securities Litigation Reform Act of 1995. See “Cautionary Statements Regarding Forward-Looking Statements.”

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

Directors

The table below sets forth information concerning our directors as of March 26, 2018.

Name	Position	Age	Date of Appointment	Current Term Expiring at Annual Meeting of Shareholders to Be Held in Year
Martín Migoya	Chairman of the Board and Chief Executive Officer	50	May 6, 2016	2018
Martín Gonzalo Umaran	Director and Chief of Staff	49	May 8, 2017	2020
Guibert Andrés Englebienne	Director and Chief Technology Officer	51	May 8, 2017	2020
Francisco Álvarez-Demalde	Director	39	May 4, 2015	2019
Mario Eduardo Vázquez	Director	82	May 6, 2016	2019
Philip A. Odeen	Director	82	May 4, 2015	2018
David J. Moore	Director	65	May 4, 2015	2018
Marcos Galperin	Director	46	May 6, 2016	2019
Linda Rottenberg	Director	49	May 8, 2017	2020

Directors may be re-elected for one or more further four-year terms. Directors appointed to fill vacancies remain in office until the next general meeting of shareholders.

Globant S.A. was incorporated in Luxembourg on December 10, 2012. References to the terms of service or appointment of our directors and senior management in the following biographies include their service to our predecessor companies, which were organized in Spain.

Martín Migoya

Mr. Migoya has served as Chairman of our board of directors and Chief Executive Officer since 2005. Prior to co-founding Globant, he worked as a trainee and technology project coordinator at Repsol-YPF, a consultant at Origin BV Holland and a business development director at Tallion. He founded our company together with Messrs. Englebienne, Nocetti and Umaran in 2003. Mr. Migoya is frequently invited to lecture at various conventions and at universities like MIT and Harvard, and has been a judge at the Endeavor Entrepreneurs panel and at La Red Innova. Mr. Migoya was selected as an Endeavor Entrepreneur in 2005 and won a Konex Award as one of the most innovative entrepreneurs of 2008. He was selected as an Argentine Creative Individual of 2009 (*Círculo de Creativos de la Argentina*) and received the Security Award as one of the most distinguished Argentine businessmen of 2009. He also received in 2009 the America Economía Magazine's "Excellence Award", which is given to entrepreneurs and executives that contribute to the growth of Latin American businesses. In 2011, Latin Trade recognized Mr. Migoya as Emerging CEO of the Year. In 2013, Mr. Migoya received the "Entrepreneur of the Year Award" from Ernst & Young. He is a member of the Young President's Organization and a board member of Endeavor Argentina. Mr. Migoya holds a degree in electronic engineering from *Universidad Nacional de La Plata* (UNLP) and a master's degree in business administration, from the *Universidad del Centro de Estudios Macroeconómicos de Argentina*. We believe that Mr. Migoya is qualified to serve on our board of directors due to his intimate familiarity with our company and the perspective, experience, and operational expertise in the technology services industry that he has developed during his career and as our co-founder and Chief Executive Officer.

Martín Gonzalo Umaran

Mr. Umaran has served as a member of our board of directors since 2012 as well as Chief of Staff since 2013. As Globant's Chief of Staff, Mr. Umaran is responsible for coordinating our back office activities, supporting executives in daily projects and acting as a liaison to our senior management. He is also responsible for our mergers and acquisitions process and for strategic initiatives. From 2005 to 2012, he served as Globant's Chief Operations Officer and Chief Corporate Business Officer, in charge of managing our delivery teams and projects. Together with his three Globant co-founders, Mr. Umaran was selected as an Endeavor Entrepreneur in 2005. Mr. Umaran holds a degree in mechanical engineering from *Universidad Nacional de La Plata* (UNLP). We believe that Mr. Umaran is qualified to serve on our board of directors due to his intimate familiarity with our company and his perspective, experience, and operational expertise in the technology services industry that he has developed during his career as a co-founder of our company.

Guibert Andrés Englebienne

Mr. Englebienne has served as a member of our board of directors and as Chief Technology Officer since 2003. He is one of Globant's co-founders. Prior to co-founding Globant, Mr. Englebienne worked as a scientific researcher at IBM and, later, as head of technology for CallNow.com Inc. As Globant's Chief Technology Officer, Mr. Englebienne is the head of our Technology department and our Premier League, an elite team of Globers whose mission is to foster innovation by cross-pollinating their deep knowledge of emerging technologies and related market trends across our Studios and among our Globers. Together with his three Globant co-founders, Mr. Englebienne was selected as an Endeavor Entrepreneur in 2005. In addition to his responsibilities at Globant, Mr. Englebienne is President of Endeavor Argentina. In 2011, he was included in Globalization Today's "Powerful 25" list. Mr. Englebienne holds a bachelor's degree in Computer Science and Software Engineering from the *Universidad Nacional del Centro de la Provincia de Buenos Aires* in Argentina. We believe that Mr. Englebienne is qualified to serve on our board of directors due to his intimate familiarity with our company and his perspective, experience, and operational expertise in the technology services industry that he has developed during his career as a co-founder of our company.

Francisco Álvarez-Demalde

Mr. Álvarez-Demalde has been a member of the board since 2007. He is a founder and general partner of Riverwood Capital, a leading growth-capital private equity firm focused on the global technology industry, and one of the largest early investors in Globant. From 2005 to 2007, he was an investment executive at Kohlberg Kravis Roberts & Co., where he focused on leveraged buyouts in the technology industry and other sectors. Mr. Álvarez-Demalde was also an investment professional at Eton Park Capital Management and with Goldman Sachs & Co. Mr. Álvarez-Demalde is a former and current director of several technology companies, including Alog Data Centers do Brasil, CloudBlue Technologies, Inc., LAVCA, Navent, Netshoes, among several others. Mr. Álvarez-Demalde earned a bachelor's degree in economics from *Universidad de San Andrés*, Argentina, which included an exchange program at the Wharton School at the University of Pennsylvania. We believe that Mr. Álvarez-Demalde is qualified to serve on our board of directors due to his considerable business experience in the technology industry and his experience serving as a director of other companies.

Mario Eduardo Vázquez

Mr. Vázquez has served as a member of our board of directors and chairman of Globant's audit committee since June 2012. From 2003 to 2006, he served as the Chief Executive Officer of *Grupo Telefónica* in Argentina. Mr. Vázquez worked in auditing for Arthur Andersen for 33 years until his retirement in 1993, including 23 years as a partner and general director in many of Globant's markets, including Argentina, Chile, Uruguay, and Paraguay. As former partner and general director of Arthur Andersen, Mr. Vázquez has significant experience with U.S. GAAP accounting and in assessing internal control over financial reporting. Mr. Vázquez currently serves on the board of directors of MercadoLibre, Inc and is currently a member of the Audit Committee of both MercadoLibre, Inc and Despegar S.A. Also, Mr. Vázquez currently serves as member of the compensation committee of MercadoLibre, Inc where Mr. Galperin serves as chief executive officer. Mr. Vázquez served as a member of the board of directors of YPF, S.A. and as the president of the Audit Committee of YPF, S.A. until April 2012. He has also served as a member of the board of directors of Telefónica Argentina S.A., Telefónica Holding Argentina S.A., Telefónica Spain S.A., Banco Santander Río S.A., Banco Supervielle Societe General S.A., and CMF Banco S.A., and as alternate member of the board of directors of Telefónica de Chile S.A. Mr. Vázquez received a degree in public accounting from the *Universidad de Buenos Aires*. We believe that Mr. Vázquez is qualified to serve on our board of directors due to his financial expertise and his experience serving as a director of other companies.

Philip A. Odeen

Mr. Odeen has served as a member of our board of directors since 2012. Mr. Odeen has also served as a director and proxy director of DRS Technologies, Inc. since 2013. From 2009 to 2013, Mr. Odeen served as the chairman of the board of directors and lead independent director of AES Corporation and as a director of AES Corporation from 2003 to 2013. From 2008 to 2013, Mr. Odeen served as the chairman of the board of directors of Convergys Corporation and as a director of Convergys Corporation from 2000 to 2013. Mr. Odeen has served as a director of QinetiQ North America, Inc. since 2006, Booz Allen Hamilton, Inc. since 2008 and ASC Signal Corporation since 2009. From 2006 to 2007, Mr. Odeen served as chairman of the board of directors of Avaya Corporation. He served on the board of directors of Reynolds and Reynolds Company from 2000 to 2007, and as its chairman from 2006 to 2007. Mr. Odeen was a director of Northrop Grumman from 2003 to 2008. Mr. Odeen retired as chairman and chief executive officer of TRW Inc. in December 2002. We believe that Mr. Odeen is qualified to serve on our board due to his experience in leadership and guidance of public and private companies as a result of his varied global business, governmental and non-profit and charitable organizational experience.

David J. Moore

Mr. Moore has served as a member of our board since May 2015. He is the chairman of Xaxis and President of WPP Digital. He has over 35 years of experience in media and technology. He founded and led 24/7 Media's (now Xaxis) growth from start-up to a leader in digital marketing and ad technology. 24/7 Media (TFSM) was listed on NASDAQ in 1998 and Mr. Moore led the company until it was sold to WPP in 2007. He is a member of the Interactive Advertising Bureau's ("IAB") Board of Directors and Executive Committee. Previously the IAB's chairman from 2009 to 2011, Mr. Moore has been an active member since 2002. He also serves on the boards of DASL and DTISI, which are both joint ventures with Dentsu in Japan and Korea and the board of directors of the Advertising Education Foundation. We believe that Mr. Moore is qualified to serve on our board due to his experience in both private and public technology companies as both an officer and director.

Marcos Galperin

Mr. Galperin has served as a member of our board of directors since July 2014. He is a co-founder of Mercadolibre, Inc. and has served as its chairman, president and chief executive officer since October 1999. Mr. Galperin is a board member of Endeavor Global, Inc., a non-profit organization that is leading the global movement to catalyze long term economic growth by selecting, mentoring and accelerating the best high impact entrepreneurs around the world. He is also a board member of the Stanford Graduate School of Business. Mr. Galperin received a master's degree in business administration from Stanford University and graduated with honors from the Wharton School of the University of Pennsylvania. We believe that Mr. Galperin is qualified to serve on our board of directors due to his comprehensive knowledge and experience in the technology industry and experience serving as a director of other companies.

Linda Rottenberg

Ms. Rottenberg has served as a member of our board of directors since 2017. She was a co-founder of Endeavor and serves as its chief executive officer. Ms. Rottenberg serves on the board of directors of Zayo Group Holdings, Inc., a bandwidth infrastructure company, and Olo, an online ordering platform. She is graduate of Harvard College and Yale Law School. We believe that Ms. Rottenberg is qualified to serve on our board of directors due to her knowledge and experience in the technology industry and experience serving as a director of other companies.

Senior Management

Our group senior management is made up of the following members:

Name	Position
Martín Migoya	Chief Executive Officer
Martín Gonzalo Umaran	Chief of Staff
Guillermo Marsicovetere	Chief Strategy Officer
Guibert Andrés Englebienne	Chief Technology Officer
Nestor Nocetti	Executive Vice President, Corporate Affairs
Alejandro Scannapieco	Chief Financial Officer
Yanina Maria Conti	Chief Accounting Officer
Guillermo Willi	Chief People Officer
Gustavo Barreiro	Chief Information Officer
Patricio Pablo Rojo	General Counsel
Wanda Weigert	Director of Marketing
Patricia Pomies	Chief Delivery Officer

The business address of our group senior management is *c/o Sistemas Globales S.A., Ing. Butty 240, 9th floor, Laminar Plaza Tower, C1101 AFB, Capital Federal, Argentina.*

The following is the biographical information of the members of our group senior management other than Messrs. Migoya, Umaran and Englebienne, whose biographical information is set forth in "— Directors."

Guillermo Marsicovetere

Mr. Marsicovetere has been our Chief Operating Officer since July 2012. From 2007 to July 2012, Mr. Marsicovetere served as our Chief Business Officer. From 1993 to 2007, he worked at Sun Microsystems where he held several management positions including Latin America Partner and Sales Director, Southern Cone President and Managing Director, Sales Vice President of the United Kingdom and Ireland. As Globant's Chief Operating Officer, he is responsible for supervising Globant's product delivery. Mr. Marsicovetere holds a law degree from *Universidad Central* in Venezuela.

Nestor Nocetti

Mr. Nocetti, a co-founder of our company, has been our Executive Vice President, Corporate Affairs since July 2012. Mr. Nocetti manages our external affairs, including our relationships with government agencies, union, industry representatives and the media. Prior to that, he served as our Vice President, Innovation Labs. Together with Messrs. Migoya, Englebienne, and Umaran, Mr. Nocetti was selected as an Endeavor Entrepreneur in 2005. He holds a degree in electronic engineering from *Universidad Nacional de La Plata* (UNLP) and a certificate in business management from the Business School (IAE) of *Universidad Austral*.

Alejandro Scannapieco

Mr. Scannapieco has been our Chief Financial Officer since 2008. From 2002 to 2008, he worked as Chief Financial Officer at Microsoft South Cone, headquartered in Buenos Aires, where he was responsible for the Finance & Accounting, Business Support and Procurement & Facilities divisions for Microsoft in Argentina, Bolivia, Chile, Paraguay and Uruguay. Prior to 2002, Mr. Scannapieco worked as a senior financial analyst at JPMorgan and a senior auditor at Ernst & Young. As our Chief Financial Officer, Mr. Scannapieco is in charge of corporate finance and business support, including mergers and acquisitions, treasury, accounting and tax and delivery center expansions. Mr. Scannapieco has a post-graduate degree in capital markets, a degree in public accounting and a bachelor's degree in business administration from the *Pontificia Universidad Católica Argentina "Santa María de los Buenos Aires."* He has also completed a post-graduate degree in finance from *Torcuato Di Tella* University.

Yanina Maria Conti

Mrs. Conti has been our Chief Accounting Officer since 2017. From 2013 until 2017, she served as our SEC Reporting and Audit Manager. From 2004 to 2013, Mrs. Conti worked for Ernst & Young, auditing large public and private firms and gaining experience with IFRS accounting and audit procedures. As our Chief Accounting Officer, Mrs. Conti is in charge of accounting, tax, transactional, external audit and reporting. Mrs. Conti has a degree in public accounting and in business administration from the *Universidad de Buenos Aires*.

Guillermo Willi

Mr. Willi has been our Chief People Officer since September 2011. From 2009 to 2011, he served as the Human Resources Director for Microsoft Argentina and Uruguay, where he was in charge of leading Microsoft's human resources policies, developing internal talent and maintaining diversity and inclusion. Between 2007 and 2009, he was the Human Resources Director for *Pampa Energia*, and from 2002 to 2007 he served as the Human Resources Director for EDS Argentina and Chile. As Globant's Chief People Officer, he is responsible for overseeing the strategy for talent management and development, along with the creation of organizational capabilities and culture. Mr. Willi has a bachelor's degree in political science from the *Universidad de Buenos Aires* and has completed post-graduate studies in management and human resources at Cornell University.

Gustavo Barreiro

Mr. Barreiro has been our Chief Information Officer since July 2012. From 2010 to July 2012, Mr. Barreiro served as our Executive Vice President, Delivery, managing our delivery partners, staffing, recruiting, project managers, and site managers. As Globant's Chief Information Officer, Mr. Barreiro is responsible for our infrastructure team (IT operations and information security), enterprise applications, and IT services. He holds a bachelor's degree in industrial engineering from the *Universidad de Buenos Aires* and a master's degree in business administration from the *Instituto para el Desarrollo Empresarial Argentino* (IDEA).

Patricio Pablo Rojo

Mr. Rojo has been our General Counsel since May 2013. From 2002 to 2006 and from 2007 to 2013, he worked as a corporate and banking law associate at the law firm of Marval, O’Farrell & Mairal. Between 2006 and 2007, he was an International Associate at the New York office of Simpson Thacher & Bartlett LLP. Mr. Rojo has a law degree from the *Pontificia Universidad Católica Argentina “Santa María de los Buenos Aires”* and has completed post-graduate studies in law and economics at *Torcuato Di Tella* University.

Wanda Weigert

Mrs. Weigert has been our Director of Communications and Marketing since 2011. From 2007 to 2011, she served as a communications manager. She joined Globant in 2005 and worked for two years in the Internet marketing department as a senior consultant. From 2002 to 2005, she worked at Jota Group, a publishing house where she was responsible for the development of corporate communications tools for different multinational customers. Mrs. Weigert created and supervises Globant’s communications department. As our communications director, she coordinates Globant’s relationships with the press in Latin America, the United States and the United Kingdom. She is also responsible for developing both our internal and external communications strategies. Mrs. Weigert holds a bachelor’s degree in social communications from *Universidad Austral* and she completed her post-graduate studies in marketing at the *Pontificia Universidad Católica Argentina “Santa Maria de los Buenos Aires.”*

Patricia Pomies

Mrs. Pomies has been our Chief Delivery Officer since January 2017. In this role, Mrs. Pomies is in charge of our overall strategy related to quality of service and delivery. Mrs. Pomies first joined our company in 2012 and was previously a director of Europe, Middle East and Africa (EMEA) and on-line, insurance and travel (OIT), two of our main business units. As such, she was responsible for each unit’s business and operations, with particular focus on expanding the EU market. Mrs. Pomies was director at Educ.ar Portal from 2003 to 2013, a key initiative within Argentina’s Ministry of Education for principals, teachers, students and families to adopt information and communication technologies in education. Additionally, she was responsible for content production and tracking of “Equality Connect,” a program directly supported by the President of Argentina to distribute more than 3.5 million netbooks within the Argentine public education system. Mrs. Pomies has been a Professor of Social Communication at Maimonides University and Assistant Professor of Communication Sciences at the University of Buenos Aires.

B. Compensation

Compensation of Board of Directors and Senior Management

The total fixed and variable remuneration of our directors and senior management for the years ended December 31, 2017, 2016 and 2015 amounted to \$4.5 million, \$4.4 million and \$4.2 million, respectively.

We adopted an equity incentive plan in connection with the completion of our initial public offering. See “— 2014 Equity Incentive Plan”. From the adoption of this plan until the date of this annual report we granted to members of our senior management and certain other employees 30,000 stock awards, options to purchase 2,103,456 common shares and 344,523 restricted stock units. In addition, we replaced our existing variable compensation arrangements with a new short-term incentive plan providing for the payment of bonuses based on the achievement of certain financial and operating performance measures.

2014 Equity Incentive Plan

On July 3, 2014, our board of directors and shareholders approved and adopted our 2014 Equity Incentive Plan, which was amended by our board of directors on May 9, 2016 to increase the number of common shares that may be issued as stock awards from 1,666,667 to up to 3,666,667. The following description of the plan is qualified in its entirety by the full text of the plan, which has been filed with the SEC as an exhibit to the registration statement previously filed in connection with our initial public offering and incorporated by reference herein.

Purpose. We believe that the plan will promote our long-term growth and profitability by (i) providing key people with incentives to improve shareholder value and to contribute to our growth and financial success through their future services, and (ii) enabling us to attract, retain and reward the best-available personnel.

Eligibility; Types of Awards. Selected employees, officers, directors and other individuals providing bona fide services to us or any of our affiliates, are eligible for awards under the plan. The administrator of the plan may also grant awards to individuals in connection with hiring, recruiting or otherwise before the date the individual first performs services; however, those awards will not become vested or exercisable before the date the individual first performs services. The plan provides for grants of stock options, stock appreciation rights, restricted or unrestricted stock awards, restricted stock units, performance awards and other stock-based awards, or any combination of the foregoing.

Common Shares Subject to the Plan. The number of common shares that we may issue with respect to awards granted under the plan will not exceed an aggregate of 3,666,667 common shares. This limit will be adjusted to reflect any stock dividends, split ups, recapitalizations, mergers, consolidations, share exchanges, and similar transactions. If any award, or portion of an award, under the plan expires or terminates unexercised, becomes unexercisable, is settled in cash without delivery of common shares, or is forfeited or otherwise terminated or cancelled as to any common shares, the common shares subject to such award will thereafter be available for further awards under the plan. Common shares used to pay the exercise price of an award or tax obligations will not be available again for other awards under the plan.

Administration. The plan is administered by our compensation committee. The administrator has the full authority and discretion to administer the plan and to take any action that is necessary or advisable in connection with the administration of the plan, including without limitation the authority and discretion to interpret and construe any provision of the plan or any agreement or other documents relating to the plan. The administrator's determinations will be final and conclusive.

Awards. The plan provides for grants of stock options, stock appreciation rights, restricted or unrestricted stock awards, restricted stock units, performance awards and other stock-based awards.

Stock Options. The plan allows the administrator to grant incentive stock options, as that term is defined in section 422 of the Internal Revenue Code, or non-statutory stock options. Only our employees or employees of our subsidiaries may receive incentive stock option awards. Options must have an exercise price that is at least equal to the fair market value of the underlying common shares on the date of grant and not lower than the par value of the underlying common shares. The option holder may pay the exercise price in cash or by check, by tendering common shares, by a combination of cash and common shares, or by any other means that the administrator approves. The options have a maximum term of ten years; however, the options will expire earlier if the optionee's service relationship with the company terminates.

Stock Appreciation Rights. The plan allows the administrator to grant awards of stock appreciation rights which entitle the holder to receive a payment in cash, in common shares, or in a combination of both, having an aggregate value equal to the product of the excess of the fair market value on the exercise date of the underlying common shares over the base price of the common shares specified in the grant agreement, multiplied by the number of common shares specified in the award being exercised.

Stock Awards. The plan allows the administrator to grant awards denominated in common shares or other securities, stock equivalent units or restricted stock units, securities or debentures convertible into common shares or any combination of the foregoing, to eligible participants. Awards denominated in stock equivalent units will be credited to a bookkeeping reserve account solely for accounting purposes. The awards may be paid in cash, in common shares or in a combination of common shares or other securities and cash.

Performance Awards. The plan allows the administrator to grant performance awards including those intended to constitute “qualified performance-based compensation” within the meaning of Section 162(m) of the U.S. Internal Revenue Code. The administrator may establish performance goals relating to any of the following, as it may apply to an individual, one or more business units, divisions or subsidiaries, or on a company-wide basis, and in either absolute terms or relative to the performance of one or more comparable companies or an index covering multiple companies: revenue; earnings before interest, taxes, depreciation and amortization (EBITDA); operating income; pre- or after-tax income; cash flow; cash flow per share; net earnings; earnings per share; price-to-earnings ratio; return on equity; return on invested capital; return on assets; growth in assets; share price performance; economic value added; total shareholder return; improvement in or attainment of expense levels; improvement in or attainment of working capital levels; relative performance to a group of companies comparable to the company, and strategic business criteria consisting of one or more objectives based on the company’s meeting specified goals relating to revenue, market penetration, business expansion, costs or acquisitions or divestitures. Performance targets may include minimum, maximum, intermediate and target levels of performance, with the size of the performance-based stock award or the lapse of restrictions with respect thereto based on the level attained.

A performance target may be stated as an absolute value or as a value determined relative to prior performance, one or more indexes, budget, one or more peer group companies, any other standard selected by the administrator, or any combination thereof. The administrator shall be authorized to make adjustments in the method of calculating attainment of performance measures and performance targets in recognition of: (A) extraordinary or non-recurring items; (B) changes in tax laws; (C) changes in accounting policies; (D) charges related to restructured or discontinued operations; (E) restatement of prior period financial results; and (F) any other unusual, non-recurring gain or loss that is separately identified and quantified in our financial statements. Notwithstanding the foregoing, the administrator may, in its sole discretion, modify the performance results upon which awards are based under the plan to offset any unintended results arising from events not anticipated when the performance measures and performance targets were established.

Change in Control. In the event of any transaction resulting in a “change in control” of Globant S.A. (as defined in the plan), outstanding stock options and other awards that are payable in or convertible into our common shares will terminate upon the effective time of the change in control unless provision is made in connection with the transaction for the continuation, assumption, or substitution of the awards by the surviving or successor entity or its parent. In the event of such termination, the holders of stock options and other awards under the plan will be permitted immediately before the change in control to exercise or convert all portions of such stock options or awards that are exercisable or convertible or which become exercisable or convertible upon or prior to the effective time of the change in control.

Notwithstanding the foregoing, the vesting schedule of all of the outstanding stock options granted to certain senior executives will be accelerated in the event of a transaction resulting in a change in control if (i) no provision is made in connection with the transaction for the continuation or assumption of the relevant executive’s outstanding options by, or for the substitution of the equivalent awards of, the surviving or successor entity or a parent thereof, or (ii) the relevant executive is dismissed without cause within a two-year period following the change in control.

Amendment and Termination. No award will be granted under the plan after the close of business on the day before the tenth anniversary of the effective date of the plan. Our board of directors may amend or terminate the plan at any time. Shareholder approval is required to reprice underwater options.

Director Compensation

Independent members of our board of directors receive cash compensation for their services as directors and reimbursement of reasonable and documented costs and expenses incurred by them in connection with attending any meetings of our board of directors or any committees thereof. Members of our senior management who are members of our board of directors (Messrs. Migoya, Umaran and Englebienne) have received and will continue receiving cash compensation and share based compensation for their services as executive officers. See “— Compensation of Board of Directors and Senior Management.”

In 2017, we paid an aggregate of \$287,500 in director fees to certain members of our board of directors who are considered independent.

Neither members of our senior management who are members of our board of directors nor members of our board of directors who continue to provide services to, or are affiliated with WPP, will receive compensation from us for their service on our board of directors. Accordingly, Messrs. Migoya, Umaran, Englebienne and Moore will not receive compensation from us for their service on our board of directors. Only those directors who are considered independent directors under the corporate governance rules of the NYSE will be eligible, subject to our shareholders' approval, to receive compensation from us for their service on our board of directors. Ms. Rottenberg and Messrs. Galperin, Odeen, Álvarez-Demalde and Vázquez as well as other independent directors will be paid annually a cash amount ranging between \$75,000 and \$100,000.

In 2017, we granted restricted stock units to Linda Rottenberg, Martin Migoya, Martín Umaran and Guibert Englebienne in the amounts of 2,671, 30,181, 2,029 and 15,264, respectively, all of which are subject to ratification by our shareholders at the annual general meeting.

Benefits upon Termination of Employment

Neither we nor our subsidiaries maintain any directors' service contracts providing for benefits upon termination of service. On December 27, 2012, we entered into noncompetition agreements with our founders. Under such agreements, the founders agreed that during their employment with our company, and for a period of two years from the termination of such employment, they will not directly or indirectly perform any kind of activity or provide any service in other companies that provide the same kinds of services as those provided by us. In consideration of these noncompetition covenants, the founders will receive compensation equal to 24 times the highest monthly compensation paid to them during the 12-month period immediately preceding the date of termination of their employment. This compensation will be paid in two equal installments.

In 2016, our compensation committee approved an amendment to Martín Migoya's noncompetition agreement to increase his compensation to 36 times the highest monthly compensation paid to him during the 12-month period immediately preceding the date of termination of his employment. In addition, our compensation committee approved an amendment each founder's noncompetition agreement so that the compensation calculation will include the proportional amount of any variable annual cash compensation payable to each founder, at target amounts, and that each founder will be entitled to receive continued health coverage and life insurance after the termination of their employment and for a period of 36 months in the case of Martín Migoya and 24 months for the other founders.

In addition, our compensation committee approved the execution of a noncompetition agreement with Mr. Marsicovetere, our Chief Operating Officer, under substantially similar terms and conditions to those applicable to those of Messrs. Umaran, Englebienne and Nocetti.

Pension, Retirement or Similar Benefits

We do not pay or set aside any amounts for pension, retirement or other similar benefits for our officers or directors.

C. Board Practices

Globant S.A. is managed by our board of directors which is vested with the broadest powers to take any actions necessary or useful to fulfill our corporate purpose with the exception of actions reserved by law or our articles of association to the general meeting of shareholders. Our articles of association provide that our board of directors must consist of at least seven members and no more than fifteen members. Our board of directors meets as often as company interests require.

A majority of the members of our board of directors present or represented at a board meeting constitutes a quorum, and resolutions are adopted by the simple majority vote of our board members present or represented. In the case of a tie, the chairman of our board shall have the deciding vote. Our board of directors may also make decisions by means of resolutions in writing signed by all directors.

Directors are elected by the general meeting of shareholders, and appointed for a period of up to four years; provided, however, that directors are elected on a staggered basis, with one-third of the directors being elected each year; and provided, further, that such term may be exceeded by a period up to the annual general meeting held following the fourth anniversary of the appointment, and each director will hold office until his or her successor is elected. The general shareholders' meeting may remove one or more directors at any time, without cause and without prior notice by a resolution passed by simple majority vote. If our board of directors has a vacancy, such vacancy may be filled on a temporary basis by a person designated by the remaining members of our board of directors until the next general meeting of shareholders, which will resolve on a permanent appointment. Any director shall be eligible for re-election indefinitely.

Within the limits provided for by law and our articles of association, our board of directors may delegate to one or more directors or to any one or more persons, who need not be shareholders, acting alone or jointly, the daily management of Globant S.A. and the authority to represent us in connection with such daily management. Our board of directors may also grant special powers to any person(s) acting alone or jointly with others as agent of Globant S.A.

Our board of directors may establish one or more committees, including without limitation, an audit committee, a corporate governance and nominating committee and a compensation committee, and for which it shall, if one or more of such committees are set up, appoint the members, determine the purpose, powers and authorities as well as the procedures and such other rules as may be applicable thereto.

No contract or other transaction between us and any other company or firm shall be affected or invalidated by the fact that any one or more of our directors or officers is interested in, or is a director, associate, officer, agent, adviser or employee of such other company or firm. Any director or officer who serves as a director, officer or employee or otherwise of any company or firm with which we shall contract or otherwise engage in business shall not, by reason of such affiliation with such other company or firm only, be prevented from considering and voting or acting upon any matters with respect to such contract or other business.

Any director having an interest in a transaction submitted for approval to our board of directors that conflicts with our interest, must inform our board of directors thereof and to cause a record of his statement to be included in the minutes of the meeting. Such director may not take part in these deliberations and may not vote on the relevant transaction. At the next general meeting, before any resolution is put to a vote, a special report shall be made on any transactions in which any of the directors may have had an interest that conflicts with our interest.

No shareholding qualification for directors is required.

Any director and other officer, past and present, is entitled to indemnification from us to the fullest extent permitted by law against liability and all expenses reasonably incurred or paid by such director in connection with any claim, action, suit or proceeding in which he is involved as a party or otherwise by virtue of his being or having been a director. We may purchase and maintain insurance for any director or other officer against any such liability.

No indemnification shall be provided against any liability to us or our shareholders by reason of willful misconduct, bad faith, gross negligence or reckless disregard of the duties of a director or officer. No indemnification will be provided with respect to any matter as to which the director or officer shall have been finally adjudicated to have acted in bad faith and not in our interest, nor will indemnification be provided in the event of a settlement (unless approved by a court or our board of directors).

Board Committees

Our board of directors has established an audit committee, a compensation committee and a corporate governance and nominating committee. Our board of directors may from time to time establish other committees.

Audit Committee

Our audit committee oversees our corporate accounting and financial reporting process. Among other matters, our audit committee:

- is responsible for the appointment, compensation and retention of our independent auditors and reviews and evaluates the auditors' qualifications, independence and performance;
- oversees our auditors' audit work and reviews and pre-approves all audit and non-audit services that may be performed by them;
- reviews and approves the planned scope of our annual audit;
- monitors the rotation of partners of the independent auditors on our engagement team as required by law;
- reviews our financial statements and discusses with management and our independent auditors the results of the annual audit and the review of our quarterly financial statements;
- reviews our critical accounting policies and estimates;
- oversees the adequacy of our accounting and financial controls;
- annually reviews the audit committee charter and the committee's performance;
- reviews and approves related-party transactions; and
- establishes and oversees procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls or auditing matters and oversees enforcement, compliance and remedial measures under our code of conduct.

The current members of our audit committee are Messrs. Rottenberg, Odeen and Vázquez, with Mr. Vázquez serving as the chairman of our audit committee and our audit committee financial expert as currently defined under applicable SEC rules. Each of Messrs. Vázquez, Rottenberg and Odeen satisfies the "independence" requirements within the meaning of Section 303A of the corporate governance rules of the NYSE as well as under Rule 10A-3 under the Exchange Act.

On May 13, 2014, our board of directors adopted a written charter for our audit committee, which is available on our website at <http://www.globant.com>.

Compensation Committee

Our compensation committee reviews, recommends and approves policy relating to compensation and benefits of our officers and directors, administers our common shares option and benefit plans and reviews general policy relating to compensation and benefits. Duties of our compensation committee include:

- reviewing and approving corporate goals and objectives relevant to compensation of our directors, chief executive officer and other members of senior management;
- evaluating the performance of the chief executive officer and other members of senior management in light of those goals and objectives;
- based on this evaluation, determining and approving the compensation of the chief executive officer and other members of senior management;
- administering the issuance of common shares options and other awards to members of senior management and directors under our compensation plans; and
- reviewing and evaluating, at least annually, the performance of the compensation committee and its members, including compliance of the compensation committee with its charter.

The current members of our compensation committee are Mr. Vázquez, Odeen and Galperin, with Mr. Vázquez serving as chairman. Each of Messrs. Vázquez, Odeen and Galperin satisfies the “independence” requirements within the meaning of Section 303A of the corporate governance rules of the NYSE.

Effective as of July 23, 2014, our board of directors adopted a written charter for our compensation committee, which is available on our website at <http://www.globant.com>.

Corporate Governance and Nominating Committee

Our corporate governance and nominating committee identifies individuals qualified to become directors; recommends to our board of directors director nominees for each election of directors; develops and recommends to our board of directors criteria for selecting qualified director candidates; considers committee member qualifications, appointment and removal; recommends corporate governance guidelines applicable to us; and provides oversight in the evaluation of our board of directors and each committee.

The current members of our corporate governance and nominating committee are Messrs. Galperin, Odeen and Vázquez, with Mr. Vázquez serving as chairman. Each of Messrs. Galperin, Vázquez and Odeen satisfies the “independence” requirements within the meaning of Section 303A of the corporate governance rules of the NYSE.

Effective as of July 23, 2014, our board of directors adopted a written charter for our corporate governance and nominating committee, which is available on our website at www.globant.com.

D. Employees

Our Globers

People are one of our most valuable assets. Attracting and retaining the right employees is critical to the success of our business and is a key factor in our ability to meet our client’s needs and the growth of our client and revenue base.

As of December 31, 2017, 2016 and 2015, on a consolidated basis, we had 6,753, 5,631 and 5,041 employees, respectively.

As of December 31, 2017, we had 68 Globers, principally at our delivery center located in Rosario, Argentina, who are covered by a collective bargaining agreement with FAECYS, which is renewed on an annual basis.

The following tables show our total number of full-time employees as of December 31, 2017 broken down by functional area and geographical location:

	Number of employees
Technology	5,881
Operations	398
Sales and Marketing	90
Management and administration	384
Total	6,753

	Number of employees
Argentina	2,610
Brazil	32
Colombia	1,441
Chile	167
United Kingdom	36
Uruguay	419
United States	615
Mexico	577
Peru	99
India	705
Spain	52
Total	6,753

In 2007, we commenced shifting from a Buenos Aires-centric delivery model to a distributed organization with locations across Argentina, Latin America, Asia, and elsewhere. We believe that decentralizing our workforce and delivery centers improves our access to talent and could mitigate the impact of IT professionals' attrition on our business. Additionally, we provide employees with more choices of where to work, which improves satisfaction and helps us retain our Globers. We continue to draw talent primarily from Latin America and Asia's abundant skilled talent base.

We believe our relations with our employees are good and we have not experienced any significant labor disputes or work stoppages.

Recruitment and Retention

We seek employees who embrace our "think big" core value and are motivated to be part of a leading company that delivers best-in-class innovative software solutions to leading global companies. We hire highly qualified, experienced IT professionals and recruit students from leading technical institutions in countries where our delivery centers are based, including: the University of Buenos Aires, the Technological Institute of Buenos Aires, the National University of Córdoba and the National University of Tucumán in Argentina; *Universidade Estadual de São Paulo*, Brazil; and ORT University in Montevideo, Uruguay. Of our employee base, approximately 95.0% have obtained a university degree or are enrolled in a university while they are employed by our company, approximately 3.2% have obtained a graduate level degree, and many have specialized industry credentials or licensing, including in Systems Engineering, Electronic Engineering, Computer Science, Information Systems Administration, Business Administration and Graphic and Web Design. Since our inception, we believe we have become a preferred employment option for IT university graduates in the countries where we have operations. Our participation in a broad range of technology seminars and close involvement with the institutions of higher education in our region help foster our profile among our target audience and contribute to our recruitment efforts. Our de-centralization strategy has also yielded positive results by expanding and diversifying our sources of talent within the region.

Employee retention is one of our main priorities and a key driver of operational efficiency and productivity. We seek to retain top talent by providing the opportunity to work on cutting-edge projects for world-class clients, a flexible work environment, training and development programs, and non-traditional benefits. The total attrition rate among our Globers was 18.0%, 19.3% and 17.7% for the years ended December 31, 2017, 2016 and 2015, respectively.

Training and Development

We dedicate significant resources to the development and professional growth of our employees through training programs, career plans, mentoring, talent assessment, succession planning and performance management.

In 2015, Globant Academy was launched. Globant Academy is a continuous training program in which all of our training efforts are consolidated and formalized within four distinct schools (Technology, Leadership, Corporate and Languages).

The Technology School was created to promote science, technology, engineering, software development and design. The Leadership School is for self-development, which facilitates training on social skills in order to become a successful leader. The Corporate School was created to educate our employees about our internal processes and procedures. The Language School is to support learning and practicing the most popular languages in the industry.

Depending on the requirements of the particular program, we employ various training methodologies such as e-learning, virtual learning, face-to-face and blended learning.

We also use specific programs to recruit, train and develop our employees. Bootcamps is a program to select, train and hire talented employees. U-Grow is a program to educate university students about technologies, processes and methodologies while they intern with us. This program also serves as a recruitment source of junior-level employees. Acamica is an e-learning platform to provide technical training through in-person courses and videos.

One of our main focuses is to provide transparency and enable our employees to enhance their profession development within our organization. As part of our efforts to accomplish these objectives, we host a special annual program, called "Career Day Events".

For our leaders, we launched a Leadership Community, in which leaders can find relevant information for their roles and obtain training through various offerings, including specific onboardings, knowledge sharing sessions and various resource materials.

Through our Learning Community, we connect our employees with internal learning collaborators and leading resources.

Compensation

We offer our Globers a compensation package consisting of base salary, short term incentives, long term incentives (for certain eligible positions) and fringe benefits. The variable component of our compensation package is intended to strengthen the our values and culture, foster employee improvement and development, and align with our business strategy to pay for performance and development. Based on the Globber's position, bonus payments under the short term incentive plan are contingent on the accomplishment of key metrics, such as performance results, manager feedback and Globant's results. For key employees, we offer a long term incentive program in the form of share based compensation.

We offer several benefits including subsidized company trips, extended maternity and paternity leaves, health plans for Globers (and in some countries, for the Globber's family), yoga, relaxation and massage sessions, and corporate discount programs at certain universities and gyms.

E. Share Ownership

Share Ownership

The total number of shares of the company beneficially owned by our directors and executive officers, as of the date of this annual report, was 1,805,539 (includes common shares subject to options that are currently exercisable or will be exercisable within 60 days of March 26, 2018 as well as common shares issuable upon settlement of restricted stock units that have vested or will vest within 60 days of March 26, 2018), which represents 4.97% of the total shares of the company. See table in “Major Shareholders and Related Party Transactions — Major Shareholders.”

Share Options

See “— Compensation — Compensation of Board of Directors and Senior Management — 2014 Equity Incentive Plan.”

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth information regarding beneficial ownership of our common shares as of March 26, 2018, by:

- each of our directors and members of senior management individually;
- all directors and members of senior management as a group; and
- each shareholder whom we know to own beneficially more than 5% of our common shares.

As of March 26, 2018, we had 36,343,471 issued and outstanding common shares. Beneficial ownership for the purposes of the following table is determined in accordance with the rules and regulations of the SEC. These rules generally provide that a person is the beneficial owner of securities if such person has or shares the power to vote or direct the voting thereof, or to dispose or direct the disposition thereof, to receive the economic benefit of ownership of the securities, or has the right to acquire such powers within 60 days. Common shares subject to options, restricted stock units, warrants or other convertible or exercisable securities that are currently convertible or exercisable or convertible or exercisable within 60 days of March 26, 2018 are deemed to be outstanding and beneficially owned by the person holding such securities. Common shares issuable pursuant to share options or warrants are deemed outstanding for computing the percentage ownership of the person holding such options or warrants but are not outstanding for computing the percentage of any other person. To our knowledge, except as indicated in the footnotes to this table and pursuant to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all of our common shares. As of March 26, 2018, we had 129 holders of record in the United States with approximately 72.90% of our issued and outstanding common shares.

	Number	Percent
Directors and Senior Management		
Francisco Álvarez-Demalde (1)	6,750	*
Gustavo Barreiro (2)	56,939	*
Yanina Maria Conti (3)	250	*
Guibert Englebienne (4)	337,511	*
Marcos Galperin (5)	22,170	*
Guillermo Marsicovetere (6)	12,765	*
Martín Migoya (7)	426,981	1.19%
Nestor Nocetti (8)	346,440	*
Philip A. Odeen (9)	22,170	*
Patricio Pablo Rojo (10)	97,499	*
Linda Rottenberg (11)	2,671	*
Alejandro Scannapieco (12)	18,784	*
Martín Umaran (13)	384,815	1.07%
Mario Vazquez (14)	22,170	*
Guillermo Willi (15)	34,764	*
David Moore	—	*
Wanda Weigert (16)	11,000	*
Patricia Pomies	1,860	*
All executive officers and directors as a group	1,805,539	5.03%
*Less than 1%		
5% or More Shareholders:		
WPP Luxembourg Gamma Three S.á.r.l. (17)	6,687,548	18.66%
Capital World Investors (18)	2,995,146	8.36%
GIC Asset Management Pte. LTD (19)	2,716,925	7.58%
Morgan Stanley Investment Management Inc. (20)	2,904,646	8.10%
JPMorgan Chase & Co. (21)	2,028,954	5.66%

- (1) Includes 6,750 common shares issuable upon exercise of vested options and settlement of restricted stock units, as applicable.
- (2) Includes 13,436 common shares issuable upon exercise of vested options and settlement of restricted stock units, as applicable.
- (3) Includes 250 common shares issuable upon exercise of vested options and settlement of restricted stock units, as applicable.
- (4) Includes 63,125 common shares issuable upon exercise of vested options and settlement of restricted stock units, as applicable, and 177,166 common shares held by a revocable trust formed under New Zealand law (the “Revocable Englebienne Trust Shares”) formed by Mr. Englebienne that was established for the benefit of Mr. Englebienne, his wife and certain charitable organizations. Subsequently, the trust transferred its Revocable Englebienne Trust Shares to a Uruguayan company wholly owned by the trust. New Zealand Trust Corporation Limited acts as the independent trustee of the trust. Marcelo Cabrera Errandonea is the sole director of the Uruguayan company and holds voting and dispositive power over the 177,166 common shares held by such company.
- (5) Includes 22,170 common shares issuable upon exercise of vested options and settlement of restricted stock units, as applicable.
- (6) Includes 12,500 common shares issuable upon exercise of vested options and settlement of restricted stock units, as applicable.

- (7) Includes 170,811 common shares issuable upon exercise of vested options and settlement of restricted stock units, as applicable, and 177,040 common shares held by a revocable trust formed under New Zealand law (the “Revocable Migoya Trust Shares”) formed by Mr. Migoya that was established for the benefit of Mr. Migoya, his wife and certain charitable organizations. Subsequently, the trust transferred its Revocable Migoya Trust Shares to a Uruguayan company wholly owned by the trust. New Zealand Trust Corporation Limited acts as the independent trustee of the trust. Marcelo Cabrera Errandonea is the sole director of the Uruguayan company and holds voting and dispositive power over the 177,040 common shares held by such company.
- (8) Includes 9,375 common shares issuable upon exercise of vested options and settlement of restricted stock units, as applicable, and 252,770 common shares held by a revocable trust formed under New Zealand law (the “Revocable Nocetti Trust Shares”) formed by Mr. Nocetti that was established for the benefit of Mr. Nocetti, his wife and certain charitable organizations. Subsequently, the trust transferred its Revocable Nocetti Trust Shares to a Uruguayan company wholly owned by the trust. New Zealand Trust Corporation Limited acts as the independent trustee of the trust. Marcelo Cabrera Errandonea is the sole director of the Uruguayan company and holds voting and dispositive power over the 252,770 common shares held by such company.
- (9) Includes 22,170 common shares issuable upon exercise of vested options and settlement of restricted stock units, as applicable.
- (10) includes 67,499 common shares issuable upon exercise of vested options and settlement of restricted stock units, as applicable.
- (11) Includes 2,671 common shares issuable upon exercise of vested options and settlement of restricted stock units, as applicable.
- (12) Includes 726 common shares issuable upon exercise of vested options and settlement of restricted stock units, as applicable.
- (13) Includes 50,625 common shares issuable upon exercise of vested options and settlement of restricted stock units, as applicable, and 259,241 common shares held by a revocable trust formed under New Zealand law (the “Revocable Umaran Trust Shares”) formed by Mr. Umaran that was established for the benefit of Mr. Umaran, his wife and certain charitable organizations. Subsequently, the trust transferred its Revocable Umaran Trust Shares to a Uruguayan company wholly owned by the trust. New Zealand Trust Corporation Limited acts as the independent trustee of the trust. Marcelo Cabrera Errandonea is the sole director of the Uruguayan company and holds voting and dispositive power over the 259,241 common shares held by such company.
- (14) Includes 22,170 common shares issuable upon exercise of vested options and settlement of restricted stock units, as applicable.
- (15) Includes 23,126 common shares issuable upon exercise of vested options and settlement of restricted stock units, as applicable.
- (16) Includes 11,000 common shares issuable upon exercise of vested options and settlement of restricted stock units, as applicable.
- (17) The ultimate parent of WPP Luxembourg Gamma Three S.a r.l. is WPP plc, a company incorporated in Jersey. Paul W.G. Richardson, Group Finance Director of WPP plc, holds voting and dispositive power over the 6,687,548 common shares indirectly held by WPP plc.
- (18) Based on a Schedule 13G/A filed with the SEC on February 14, 2018. Capital World Investors, in its capacity as an investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E) of the Exchange Act and as a division of Capital Research and Management Company, beneficially owns 2,995,146 of our common shares and has sole voting and dispositive power with respect to all 2,995,146 shares.
- (19) Based on a Schedule 13G/A filed with the SEC on January 23, 2018. GIC Private Limited beneficially owns 2,716,925 of our common shares and has sole and dispositive power with respect to 2,031,722 of such shares and shared voting and dispositive power with respect to 685,203 of such shares.
- (20) Based on a Schedule 13G/A filed jointly by Morgan Stanley and Morgan Stanley Investment Management Inc. (“MSIM”) with the SEC on February 12, 2018. Each of Morgan Stanley and MSIM beneficially own 2,904,646 of our common shares and has shared voting and dispositive power with respect to 1,646,935 of such shares. The securities being reported upon by Morgan Stanley, in its capacity as a parent holding company under Rule 13d-1(b)(1)(ii)(G) of the Exchange Act, are owned, by MSIM, an investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E) of the Exchange Act. MSIM is a wholly-owned subsidiary of Morgan Stanley.

- (21) Based on a Schedule 13G/A filed with the SEC on January 22, 2018. JPMorgan Chase & Co. ("JPMorgan"), in its capacity as a parent holding company under Rule 13d-1(b)(1)(ii)(G) of the Exchange Act, beneficially owns 2,028,954 of our common shares and has sole voting power with respect to 1,894,811 of such shares, shared voting and dispositive power with respect to 8,262 of such shares and sole dispositive power with respect to 2,020,692 of such shares.

B. Related Party Transactions

Registration Rights Agreement

On July 23, 2014, we entered into a registration rights agreement with Messrs. Migoya, Umaran, Englebienne and Nocetti (collectively, the "Founders"), Kajur International S.A. ("Kajur"), Mifery S.A. ("Mifery"), Gudmy S.A. ("Gudmy"), Noltur S.A. ("Noltur"), Etmyl S.A. ("Etmyl"), Ewerzy S.A. ("Ewerzy"), Fudmy Corporation S.A. ("Fudmy"), Gylcer International S.A. (together with Kajur, Mifery, Gudmy, Noltur, Etmyl, Ewerzy and Fudmy, the "Uruguayan Entities"), Paldwick S.A., Riverwood Capital LLC, Riverwood Capital Partners (Parallel-B) L.P., Riverwood Capital Partners L.P. and Riverwood Capital Partners (Parallel-A) (collectively, the "Riverwood Entities") and the FTV Partnerships and WPP (collectively, the "Registration Rights Holders") and Endeavor Global, Inc. and Endeavor Catalyst Inc. The registration rights agreement replaced the registration rights granted under the Shareholders Agreement and WPP's joinder agreement. Under the registration rights agreement, we are responsible, subject to certain exceptions, for the expenses of any offering of our common shares held by the Registration Rights Holders other than underwriting fees, discounts and selling commissions. Additionally, under the registration rights agreement we may not grant superior registration rights to any other person without the consent of the Registration Rights Holders. The registration rights agreement contains customary indemnification provisions.

Demand Registration Rights

Under the registration rights agreement each of (i) the Riverwood Entities (acting as a group), (ii) the FTV Partnerships (acting as a group), (iii) WPP and (iv) the Founders and the Uruguayan Entities (acting as a group) and any two of (i) the Riverwood Entities, (ii) the FTV Partnerships, (iii) WPP and (iv) the Founders and the Uruguayan Entities (acting as a group) may require us to effect a registration under the Securities Act for the sale of their common shares of our company. We are therefore obliged to effect up to five such demand registrations in total with respect to the common shares owned by such shareholders. However, we are not obliged to effect any such registration when (1) the request for registration does not cover that number of common shares with an anticipated gross offering price of at least \$10.0 million, or (2) the amount of common shares to be sold in such registration represents more than 15% of our share capital. If we have been advised by legal counsel that such registration would require a special audit or the disclosure of a material impending transaction or other matter and our board of directors determines reasonably and in good faith that such disclosure would have a material adverse effect on us, we have the right to defer such registration, not more than once in any 12-month period, for a period of up to 90 days. We will not be required to effect a demand registration if we intend to effect a primary registration of our securities within 60 days of receiving notice of a demand registration, provided that we file such intended registration statement within the 60-day period. Additionally, we will not be required to effect a demand registration during the period beginning with the date of filing of, and ending 120 days following the completion of, a primary registered offering of our securities, except if any of the Registration Rights Holders had requested "piggyback" registration rights in connection with such offering. In any such demand registration, the managing underwriter will be selected by the majority of the shareholders exercising the demand.

In February 2015, we received a demand request from the Riverwood Entities and the FTV Partnerships. In April 2015 we closed a secondary public offering of our common shares through which they and certain selling shareholders sold 3,994,390 common shares. Subsequently, in June 2015, we received a second demand request from Riverwood Entities. In July 2015, we closed the second secondary public offering of our common shares through which they and certain other selling shareholders sold 4,025,000 common shares.

Shelf Registration Rights

We will use commercially reasonable efforts to qualify and remain qualified to register securities pursuant to Form F-3, and each Registration Rights Holder may make one written request that we register the offer and sale of their common shares on a shelf registration statement on Form F-3 if we are eligible to file a registration statement on Form F-3 so long as the request covers at least that number of common shares with an anticipated aggregate offering sale of at least \$5,000,000.

Piggyback Registration Rights

If we propose to register for sale to the public any of our securities, in connection with the public offering of such securities, the Registration Rights Holders will be entitled to certain “piggyback” registration rights in connection with such public offering, allowing them to include their common shares in such registration, subject to certain limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to (1) a registration related to a company equity incentive plan and (2) a registration related to the exchange of securities in certain corporate reorganizations or certain other transactions or in other instances where a form is not available for registering securities for sale to the public, the Registration Rights Holders will be entitled to written notice of the registration and will have the right, subject to limitations that the underwriters may impose on the number of common shares included in the registration, to include their common shares in the registration.

Termination

As to each party to the Registration Rights Agreement, the rights of such party thereunder terminate upon the earlier to occur of the fifth anniversary of the date of the agreement or the date upon which the percentage of our total outstanding common shares held by such party ceases to be at least one percent.

Tag-Along Agreement

On July 23, 2014, the Founders, the Uruguayan Entities, Paldwick S.A., the Riverwood Entities, the FTV Partnerships, Endeavor Global, Inc. and Endeavor Catalyst Inc. (collectively, the “Selling Shareholders”) entered into a tag-along agreement pursuant to which if, during a period of four years as from the date our registration statement filed with the Securities and Exchange Commission was declared effective, any of the Selling Shareholders proposes to make a transfer of our shares to any other Selling Shareholder or WPP, each of (i) the Founders and the Uruguayan Entities (individually and/or acting as a group), (ii) the RW Entities (individually and/or acting as a group), (iii) the FTV Partnerships (individually and/or acting as a group), and (v) Endeavor, shall have the right to participate in such sale with respect to any shares held by them on a pro rata basis, and on the same terms and conditions and the same total consideration, as those offered to the corresponding Selling Shareholder in the applicable transfer.

Other Related-Party Transactions

For a summary of our revenue and expenses and receivables and payables with related parties, please see note 21 to our audited consolidated financial statements.

Procedures for Related Party Transactions

On July 23, 2014, we adopted a written code of business conduct and ethics for our company, which is publicly available on our website at www.globant.com. The code of conduct and ethics was not in effect when we entered into the related party transactions discussed above. Under our code of business conduct and ethics, our employees, officers and directors are discouraged from entering into any transaction that may cause a conflict of interest for us. In addition, they must report any potential conflict of interest, including related party transactions, to their managers or our corporate counsel who then will review and summarize the proposed transaction for our audit committee. Pursuant to its charter, our audit committee is required to then approve any related-party transactions, including those transactions involving our directors. In approving or rejecting such proposed transactions, the audit committee is required to consider the relevant facts and circumstances available and deemed relevant to the audit committee, including the material terms of the transactions, risks, benefits, costs, availability of other comparable services or products and, if applicable, the impact on a director’s independence. Our audit committee will approve only those transactions that, in light of known circumstances, are in, or are not inconsistent with, our best interests, as our audit committee determines in the good faith exercise of its discretion.

On November 5, 2015, we adopted a related party transactions policy. This policy indicates, based on certain specific parameters, which transactions should be submitted for approval by either our Audit Committee or our general counsel.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated statements and other financial information.

We have included the Consolidated Financial Statements as part of this annual report. See Item 18, "Financial Statements."

Legal Proceedings

In the ordinary course of our business, we are subject to certain contingent liabilities with respect to existing potential claims, lawsuits and other proceedings, including those involving tax and labor lawsuits and other matters. We accrue liabilities when it is probable that future costs will be incurred and such cost can be reasonably estimated.

In Argentina, we are engaged in several legal proceedings, including tax and labor lawsuits. In the opinion of our management, the ultimate disposition of any threatened or pending matters, either individually or on a combined basis, will not have a material effect on our financial condition, liquidity or results of operations.

On February 10, 2012, Federacion Argentina de Empleados de Comercio y Servicios ("FAECYS") filed a lawsuit against our Argentine subsidiary, Sistemas Globales S.A., in which FAECYS is demanding the application of its collective labor agreement to the employees of that subsidiary. According to FAECYS's claim, Sistemas Globales should have withheld and transferred to FAECYS an amount of 0.5% of the gross monthly salaries of Sistemas Globales's employees from October 2006 through October 2011. Furthermore, FAECYS' claim may be increased to cover withholdings from October 2006 through the date of a future judgment.

Although we believe Sistemas Globales has meritorious defenses to this lawsuit, no assurance can be provided as to what the ultimate outcome of this matter will be. In the opinion of our management and our legal advisors, an adverse outcome from this claim is not probable. Consequently, no amount has been accrued at December 31, 2017. We estimate that the amount of possible loss as of the date of issuance of these financial statements ranges between \$0.7 and \$0.8 million, including legal costs and expenses.

In December 2015, we received a civil investigative demand from the U.S. Attorney's Office for the Northern District of Texas (the "US DOJ") for the production of records in connection with an investigation relating to alleged non-compliance with laws governing the application for and use of B visas during the period January 1, 2009 through December 31, 2015 (the "Relevant Period").

In order to avoid the inconvenience and expense of litigation, we settled this matter by entering into a Settlement Agreement with the US DOJ ("Settlement Agreement") on March 15, 2017. Under the terms of the Settlement Agreement, we denied the US DOJ's allegations and all liability in connection with the conduct alleged by the US DOJ to have involved 21 employees from June 2010 through December 2012. Under the Settlement Agreement, we agreed, among other things, to pay an amount equal to \$1.0 million. Of that amount, \$0.5 million is attributable to penalties connected to the above-described conduct and \$0.5 million is attributable to reimbursement of the US DOJ's investigative costs. In return, the US DOJ has agreed, among other things, to release us and/or our affiliates from any civil or administrative monetary claim that the US DOJ has for the above-described conduct during the Relevant Period with respect to the foreign nationals referenced in the Settlement Agreement, subject to customary exceptions. On March 17, 2017, we paid the total amount of \$1.0 million related to this agreement.

Our U.S. subsidiary, Globant LLC, is currently under examination by the Internal Revenue Service ("IRS") regarding payroll and employment taxes primarily in connection with services performed by employees of certain of our subsidiaries in the United States from 2013 to 2015. Such examination is currently in progress and, at this stage, we cannot make any predictions about the final outcome of this matter. Management estimates that the amount of possible loss as of December 31, 2017 could range between \$0.3 million and \$0.5 million.

As of December 31, 2017, we are a party in certain labor claims where the risk of loss is considered possible. The final resolution of these claims is not likely to have a material effect on our financial position or on our results of operations.

During the year ended December 31, 2017, some labor claims where the Company was involved came to final resolution and a utilization of the provision for contingencies was recorded for an amount of \$0.3 million.

Dividend Policy

We currently anticipate that we will retain all available funds for use in the operation and expansion of our business, and do not anticipate paying any dividends in the foreseeable future.

Under Luxembourg law, at least 5% of our net income per year must be allocated to the creation of a legal reserve until such reserve has reached an amount equal to 10% of our issued share capital. If the legal reserve subsequently falls below the 10% threshold, 5% of net income again must be allocated toward the reserve until such reserve returns to the 10% threshold. If the legal reserve exceeds 10% of our issued share capital, the legal reserve may be reduced. The legal reserve is not available for distribution.

We are a holding company and have no material assets other than ownership of shares in Spain Holdco, and their direct and indirect ownership of our operating subsidiaries. Spain Holdco is a holding entity with no material assets other than their direct and indirect ownership of shares in our operating subsidiaries. If we were to distribute a dividend at some point in the future, we would cause the operating subsidiaries to make distributions to Spain Holdco which in turn would make distributions to us in an amount sufficient to cover any such dividends.

B. Significant Changes

On January 30, 2018, Globant LLC signed an amendment to the stock purchase agreement with L4.

Considering this amendment, the purchase price may be subject to adjustments based on the future performance of L4 and is payable to the seller as follows:

1. Up-front payment: As of the closing date, the Company paid an aggregate consideration of \$11,000 to the seller.
2. First earn-out payment: On February 15, 2017, the Company paid an aggregate consideration of \$990 to the sellers.
3. Second earn-out payment: On February 15, 2018, the Company paid an aggregate consideration of \$1,850.
4. Third earn-out payment: Not later than February 15, 2019, the amount of \$1,160, provided that such amount shall be reduced in proportion to the percentage of revenue and gross profit achievement by L4 during the period commencing on January 1, 2018 and ending on December 31, 2018.
5. Forth earn-out payment: Not later than February 15, 2020, the amount of \$1,160, provided that such amount shall be reduced in proportion to the percentage of revenue and gross profit achievement by L4 during the period commencing on January 1, 2019 and ending on December 31, 2019.

On March 2, 2018 Globant LLC signed and amendment to the stock purchase agreement with Ratio.

Considering this amendment, the purchase price may be subject to adjustments based on the future performance of Ratio and is payable to the seller as follows:

1. Up-front payment: As of the closing date, the Company paid an aggregate consideration of \$5,800 to the seller.
2. First earn-out payment: On February 15, 2018, the Company paid the aggregate consideration \$1,669 to the sellers.
3. Second earn-out payment: Not later than February 15, 2019, the amount of \$1,500, considering the financial targets achievement by Ratio during the period commencing on January 1, 2018 and ending on December 31, 2018.
4. Third earn-out payment: Not later than February 15, 2020, the amount of \$750, considering the financial targets achievement by Ratio during the period commencing on January 1, 2019 and ending on December 31, 2019.

ITEM 9. THE OFFER AND LISTING.

A. Offering and listing details.

Our ordinary shares began trading on the NYSE under the symbol "GLOB" in connection with our IPO on July 18, 2014. Before then, there was no public market for our ordinary shares. The following table sets forth, for the periods indicated, the high and low closing prices of our ordinary shares as reported by the NYSE since July 18, 2014.

Our ordinary shares began trading on the Lux SE under the International Securities Identification Number (ISIN) code "LU0974299876" on August 11, 2016.

The following table sets forth, for the periods indicated, the high and low closing prices of our ordinary shares as reported (i) by the NYSE since July 18, 2014 and (ii) by the Lux SE since August 11, 2016.

Period	NYSE High	NYSE Low	LUXSE High	LUXSE Low
Year ended December 31, 2014 ⁽ⁱ⁾	15.86	10.65	N/A	N/A
Year ended December 31, 2015	38.23	13.17	N/A	N/A
Year ended December 31, 2016				
First Quarter	37.86	22.50	N/A	N/A
Second Quarter	41.23	30.11	N/A	N/A
Third Quarter (ii)	44.81	37.50	42.05	37.71
Fourth Quarter	47.19	31.22	46.83	31.91
Year ended December 31, 2017				
First Quarter	37.57	30.90	37.07	31.19
Second Quarter	45.00	33.56	44.46	33.87
Third Quarter	47.51	36.67	46.41	36.97
Fourth Quarter	46.61	34.82	45.95	35.23
Year ended December 31, 2018				
First Quarter	54.84	42.11	54.50	43.40
Month Ended				
October 2017	42.95	37.33	42.71	37.60
November 2017	41.97	34.82	41.31	35.23
December 2017	46.61	37.94	45.95	38.30
January 2018	48.57	44.55	48.20	45.00
February 2018	53.47	42.11	53.00	43.40
March 2018	54.84	49.77	54.40	51.50
April 1 - April 10, 2018	51.44	45.56	50.00	46.20

(i) High and low closing prices of our ordinary shares as reported by the NYSE since July 18, 2014.

(ii) High and low closing prices of our ordinary shares as reported by the Lux SE since August 11, 2016.

B. Plan of Distribution

Not applicable.

C. Markets

Our ordinary shares began trading on (i) the NYSE under the symbol "GLOB" in connection with our IPO on July 18, 2014, and (ii) on the Lux SE under the ISIN code "LU0974299876" on August 11, 2016. See " - Offering and Listing Details."

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION.**A. Share capital**

Not applicable.

B. Memorandum and Articles of Association

The following is a summary of some of the terms of our common shares, based on our articles of association.

The following summary is not complete and is subject to, and is qualified in its entirety by reference to, the provisions of our articles of association, as amended, which were included as an exhibit to our report on Form 6-K filed with the SEC on June 1, 2016, and applicable Luxembourg law, including Luxembourg Corporate Law.

General

We are a Luxembourg joint stock company (*société anonyme*) and our legal name is "Globant S.A." We were incorporated on December 10, 2012. We are registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B 173 727 and have our registered office at 37A Avenue J.F. Kennedy, L-1855, Luxembourg.

Share Capital

As of December 31, 2017, our issued share capital was \$42,437,899, represented by 35,364,916 common shares with a nominal value of \$1.20 each, of which 138,152 were treasury shares held by us.

We had an authorized share capital, excluding the issued share capital, of \$8,441,905 consisting of 7,034,921 common shares with a nominal value of \$1.20 each.

Our shareholders' meeting has authorized our board of directors to issue common shares within the limits of the authorized share capital at such times and on such terms as our board of directors may decide during a period of five years starting from the date of the publication in the Luxembourg's official gazette (*Mémorial C Recueil des Sociétés et Associations*) of the decision of the extraordinary general meeting of shareholders held on May 8, 2017, which publication occurred on May 19, 2017, and ends May 19, 2022 and which period may be renewed. Accordingly, our board of directors may currently issue up to 6,552,225 common shares until such date. We currently intend to seek renewals and/or extensions as required from time to time.

Our authorized share capital is determined by our articles of association, as amended from time to time, and may be increased or reduced by amending the articles of association by approval of the requisite two-thirds majority of the votes at a quorate extraordinary general shareholders' meeting. Under Luxembourg law, our shareholders have no obligation to provide further capital to us.

Under Luxembourg law, our shareholders benefit from a pre-emptive subscription right on the issuance of common shares for cash consideration. However, our shareholders have, in accordance with Luxembourg law, waived and suppressed, and have authorized our board of directors to waive, suppress or limit any pre-emptive subscription rights of shareholders provided by law to the extent our board of directors deems such waiver, suppression or limitation advisable for any issue or issues of common shares within the scope of our authorized unissued share capital. Such common shares may be issued above, at or below market value as well as above, at or below nominal value by way of incorporation of available reserves (including premium).

Form and Transfer of Common Shares

Our common shares are issued in registered form only and are freely transferable under Luxembourg law and our articles of association. Luxembourg law does not impose any limitations on the rights of Luxembourg or non-Luxembourg residents to hold or vote our common shares.

Under Luxembourg law, the ownership of registered shares is established by the inscription of the name of the shareholder and the number of shares held by him or her in the shareholder register. Transfers of common shares not deposited into securities accounts are effective towards us and third parties either through the recording of a declaration of transfer into the register of shares, signed and dated by the transferor and the transferee or their representatives or by us, upon notification of the transfer to, or upon the acceptance of the transfer by, us. Should the transfer of common shares not be recorded accordingly, the shareholder is entitled to enforce his or her rights by initiating the relevant proceedings before the competent courts of Luxembourg.

In addition, our articles of association provide that our common shares may be held through a securities settlement system or a professional depository of securities. The depositor of common shares held in such manner has the same rights and obligations as if such depositor held the common shares directly. Common shares held through a securities settlement system or a professional depository of securities may be transferred from one account to another in accordance with customary procedures for the transfer of securities in book-entry form. However, we will make dividend payments (if any) and any other payments in cash, common shares or other securities (if any) only to the depository recorded in the register or in accordance with its instructions.

Issuance of Common Shares

Pursuant to Luxembourg Corporate Law, the issuance of common shares requires the amendment of our articles of association by the approval of the requisite two-thirds majority of the votes at a quorate extraordinary general shareholders' meeting. However, the general meeting may approve an authorized share capital and authorize our board of directors to issue common shares up to the maximum amount of such authorized unissued share capital for a period ending five years from the date of publication in the Luxembourg's official gazette (*Mémorial C Recueil des Sociétés et Associations / Recueil Electronique des Sociétés et Associations*) of the minutes of the relevant general meeting approving such authorization. The general meeting may amend or renew such authorized share capital and such authorization of our board of directors to issue common shares.

We have an authorized share capital, excluding the issued share capital, of \$6,636,021 and our board of directors is authorized to issue up to 5,530,018 common shares (subject to stock splits, consolidation of common shares or like transactions) with a nominal value of \$1.20 per common share.

Our articles provide that no fractional shares shall be issued or exist.

Pre-emptive Rights

Unless limited, waived or cancelled by our board of directors in the context of the authorized unissued share capital or by an extraordinary general meeting of shareholders pursuant to the provisions of the articles of association relating to amendments thereof, holders of our common shares have a pro rata pre-emptive right to subscribe for any new common shares issued for cash consideration. Our articles provide that pre-emptive rights can be waived, suppressed or limited by our board of directors for a period starting from the date of the publication in the Luxembourg official gazette (*Mémorial C Recueil des Sociétés et Associations*) of the decision of the extraordinary general meeting of shareholders held on May 8, 2017, which publication occurred on May 19, 2017 and which ends on May 19, 2022, in the event of an increase of the issued share capital by our board of directors within the limits of the authorized unissued share capital.

Repurchase of Common Shares

We cannot subscribe for our own common shares. We may, however, repurchase issued common shares or have another person repurchase issued common shares for our account, subject to the following conditions:

- the repurchase complies with the principle of equal treatment of all shareholders;
- prior authorization by a simple majority vote at an ordinary general meeting of shareholders is granted, which authorization sets forth the terms and conditions of the proposed repurchase, including the maximum number of common shares to be repurchased, the duration of the period for which the authorization is given (which may not exceed five years) and, in the case of a repurchase for consideration, the minimum and maximum consideration per common share;
- the repurchase does not reduce our net assets (on a non-consolidated basis) to a level below the aggregate of the issued share capital and the reserves that we must maintain pursuant to Luxembourg law or our articles of association; and
- only fully paid-up common shares are repurchased.

No prior authorization by our shareholders is required for us to repurchase our own common shares if:

- we are in imminent and severe danger, in which case our board of directors must inform the general meeting of shareholders held subsequent to the repurchase of common shares of the reasons for, and aim of such repurchase, the number and nominal value of the common shares repurchased, the fraction of the share capital such repurchased common shares represented and the consideration paid for such shares; or
- the common shares are repurchased by us or by a person acting for our account in view of a distribution of the common shares to our employees.

On June 18, 2014, the general meeting of shareholders according to the conditions set forth in article 430-15 of Luxembourg Corporate Law granted our board of directors the authorization to repurchase up to a maximum number of shares representing 20% of the issued share capital immediately after the closing of our initial public offering for a net purchase price being (i) no less than 50% of the lowest stock price and (ii) no more than 50% above the highest stock price, in each case being the closing price, as reported by the New York City edition of the Wall Street Journal, or, if not reported therein, any other authoritative sources to be selected by our board of directors, over the ten trading days preceding the date of the purchase (or the date of the commitment to the transaction). The authorization is valid for a period ending five years from the date of the general meeting or the date of its renewal by a subsequent general meeting of shareholders. Pursuant to such authorization, our board of directors is authorized to acquire and sell our common shares under the conditions set forth in the minutes of such general meeting of shareholders. Such purchases and sales may be carried out for any purpose authorized by the general meeting of Globant S.A.

Capital Reduction

Our articles of association provide that our issued share capital may be reduced by a resolution adopted by the requisite two-thirds majority of the votes at a quorate extraordinary general shareholders' meeting. If the reduction of capital results in the capital being reduced below the legally prescribed minimum, the general meeting of the shareholders must, at the same time, resolve to increase the capital up to the required level.

General Meeting of Shareholders

Any regularly constituted general meeting of our shareholders represents the entire body of shareholders.

Each of our common shares entitles the holder thereof to attend our general meeting of shareholders, either in person or by proxy, to address the general meeting of shareholders and to exercise voting rights, subject to the provisions of Luxembourg law and our articles of association. Each common share entitles the holder to one vote at a general meeting of shareholders. Our articles of association provide that our board of directors shall adopt as it deems fit all other regulations and rules concerning the attendance to the general meeting.

A general meeting of our shareholders may, at any time, be convened by our board of directors, to be held at such place and on such date as specified in the convening notice of such meeting. Our articles of association provide that a general meeting of shareholders must be convened by our board of directors, upon request in written indicating the agenda, addressed to our board of directors by one or more shareholders representing at least ten percent (10%) of our issued share capital. In such case, a general meeting of shareholders must be convened and must be held within a period of one month from receipt of such request. One or more shareholders holding at least five percent (5%) of our issued share capital may request the addition of one or more items to the agenda of any general meeting of shareholders and propose resolutions. Such requests must be received at our registered office by registered mail at least 22 days before the date of such meeting.

Our articles of association provide that if our common shares are listed on a stock exchange, all shareholders recorded in any register of our shareholders are entitled to be admitted and vote at the general meeting of shareholders based on the number of shares they hold on a date and time preceding the general meeting of shareholders as the record date for admission to the general meeting of shareholders (the "Record Date"), which the board of directors may determine as specified in the convening notice. Furthermore, any shareholder, holder or depositary, as the case may be, who wishes to attend the general meeting must inform us thereof no later than on the fourteenth day preceding the date of such general meeting, or by any other date which the board of directors may determine and as specified in the convening notice, in a manner to be determined by the board of directors in the convening notice. In case of common shares held through the operator of a securities settlement system or with a depositary designated by such depositary, a holder of common shares wishing to attend a general meeting of shareholders should receive from such operator or depositary a certificate certifying the number of common shares recorded in the relevant account on the Record Date. The certificate should be submitted to us no later than three business days prior to the date of such general meeting. If the shareholder votes by means of a proxy, the proxy must be deposited at our registered office or with any agent of ours, duly authorized to receive such proxies, at the same time. Our board of directors may set a shorter period for the submission of the certificate or the proxy in which case this will be specified in the convening notice.

General meetings of shareholders shall be convened in accordance with the provisions of our articles of association and the 1915 Luxembourg Companies Act (the "1915 Companies Act"). Such law provides *inter alia* that convening notices for every general meeting shall contain the agenda of the meeting and shall take the form of announcements published in the *Recueil Electronique des Sociétés et Associations*, a new official electronic platform of central publication regarding companies and associations ("RESA"), in a Luxembourg newspaper and in the media in a manner which ensures an effective dissemination of information to the public throughout the European Economic Area and in a manner which ensures a fast access to it on a non-discriminatory basis. Notices by mail shall also be sent at least eight days before the meeting to registered shareholders but no proof need be given that this formality has been complied with. Where all the common shares are in registered form, the convening notices may be made only by registered letters.

In case an extraordinary general meeting of shareholders is convened to enact an extraordinary resolution (see below under "- Voting Rights" for further background information) and if such meeting is not quorate and a second meeting is convened, the second meeting will be convened by means of notices published twice, with a minimum interval of fifteen days between publication and at least fifteen days before the meeting, in the RESA and in two Luxembourg newspapers. Such convening notice shall reproduce the agenda and indicate the date and the results of the previous meeting.

Pursuant to our articles of association, if all shareholders are present or represented at a general meeting of shareholders and state that they have been informed of the agenda of the meeting, the general meeting of shareholders may be held without prior notice.

Our annual general meeting is held in Luxembourg, at the date set forth in the convening notice of the meeting and at the registered office of the company or such other place as specified in the convening notice of the meeting.

Voting Rights

Each share entitles the holder thereof to one vote at a general meeting of shareholders.

Luxembourg law distinguishes ordinary resolutions and extraordinary resolutions.

Extraordinary resolutions relate to proposed amendments to the articles of association and certain other limited matters. All other resolutions are ordinary resolutions.

Ordinary Resolutions. Pursuant to our articles of association and the 1915 Companies Act, ordinary resolutions shall be adopted by a simple majority of votes validly cast on such resolution at a general meeting. Abstentions and nil votes will not be taken into account.

Extraordinary Resolutions. Extraordinary resolutions are required for any of the following matters, among others: (a) an increase or decrease of the authorized capital or issued share capital, (b) a limitation or exclusion of preemptive rights, (c) approval of a merger (fusion) or de-merger (scission), (d) dissolution and (e) an amendment to our articles of association. Pursuant to Luxembourg law and our articles of association, for any extraordinary resolutions to be considered at a general meeting, the quorum must generally be at least half (50%) of our issued share capital. Any extraordinary resolution shall generally be adopted at a quorate general meeting upon a two-thirds majority of the votes validly cast on such resolution. In case such quorum is not reached, a second meeting may be convened by our board of directors in which no quorum is required, and which must generally still approve the amendment with two-thirds of the votes validly cast. Abstentions and nil votes will not be taken into account.

Change in nationality. Pursuant to our articles of association, we may only change our nationality with the unanimous consent of all shareholders. Moreover, if we have bondholders, the bondholders must generally approve the change of nationality at a general meeting with a quorum of at least half of the bonds issued and the resolution must be adopted by a two-thirds majority of the bondholder votes validly cast.

Appointment and Removal of Directors. Members of our board of directors are elected by ordinary resolution at a general meeting of shareholders. Under the articles of association, all directors are elected for a period of up to four years; provided, however, that directors shall be elected on a staggered basis, with one-third of the directors being elected each year. Any director may be removed with or without cause and with or without prior notice by a simple majority vote at any general meeting of shareholders. The articles of association provide that, in case of a vacancy, our board of directors may fill such vacancy on a temporary basis by a person designated by the remaining members of our board of directors until the next general meeting of shareholders, which will resolve on a permanent appointment. The directors shall be eligible for re-election indefinitely.

Neither Luxembourg law nor our articles of association contain any restrictions as to the voting of our common shares by non-Luxembourg residents.

Amendment to the Articles of Association

Shareholder Approval Requirements. Luxembourg law requires that amendments to our articles of association be made by extraordinary resolution. The agenda of the general meeting of shareholders must indicate the proposed amendments to the articles of association.

Pursuant to the 1915 Companies Act and our articles of association, for an extraordinary resolution to be considered at a general meeting, the quorum must generally be at least 50% of our issued share capital. Any extraordinary resolution shall be adopted at a quorate general meeting (save as otherwise provided by mandatory law) upon a two-thirds majority of the votes validly cast on such resolution. If the quorum of 50% is not reached at this meeting, a second general meeting may be convened, in which no quorum is required, and may approve the resolution at a majority of two-third of votes validly cast.

Formalities. Any resolutions to amend the articles of association or to approve a merger, de-merger or dissolution must be taken before a Luxembourg notary and such amendments must be published in accordance with Luxembourg law.

Merger and Division

A merger by absorption whereby one Luxembourg company, after its dissolution without liquidation, transfers to another company all of its assets and liabilities in exchange for the issuance of common shares in the acquiring company to the shareholders of the company being acquired, or a merger effected by transfer of assets to a newly incorporated company, must, in principle, be approved at a general meeting of shareholders by an extraordinary resolution of the Luxembourg company, and the general meeting of shareholders must be held before a notary. Further conditions and formalities under Luxembourg law are to be complied with in this respect.

Liquidation

In the event of our liquidation, dissolution or winding-up, the assets remaining after allowing for the payment of all liabilities will be paid out to the shareholders pro rata according to their respective shareholdings. Generally, the decisions to liquidate, dissolve or wind-up require the passing of an extraordinary resolution at a general meeting of our shareholders, and such meeting must be held before a notary.

Mandatory Takeover, Squeeze-Out and Sell-Out Rights under the Luxembourg Takeover Law

Mandatory bid. The Luxembourg law of May 19, 2006 implementing Directive 2004/25/EC of the European Parliament and the Council of April 21, 2004 on takeover bids (the "Takeover Law"), provides that, if a person acting alone or in concert acquires securities of our company which, when added to any existing holdings of our securities, give such person voting rights representing at least one-third of all of the voting rights attached to the issued shares of our company, this person is obliged to make an offer for the remaining shares of our company. In a mandatory bid situation, a "fair price" is in principle considered to be the highest price paid by the offeror or a person acting in concert with the offeror for the securities during the 12-month period preceding the mandatory bid.

Squeeze-out right. The Takeover Law provides that, when an offer (mandatory or voluntary) is made to all of the holders of voting securities of our company and after such offer the offeror holds at least 95% of the securities carrying voting rights and 95% of the voting rights, the offeror may require the holders of the remaining securities to sell those securities (of the same class) to the offeror. The price offered for such securities must be a fair price. The price offered in a voluntary offer would be considered a fair price in the squeeze-out proceedings if the offeror acquired at least 90% of the company's shares carrying voting rights that were the subject of the offer. The price paid in a mandatory offer is deemed a fair price. The consideration paid in the squeeze-out proceedings must take the same form as the consideration offered in the offer or consist solely of cash. Moreover, an all-cash option must be offered to the remaining shareholders. Finally, the right to initiate squeeze-out proceedings must be exercised within three months following the expiration of the offer.

Sell-out right. The Takeover Law provides that, when an offer (mandatory or voluntary) is made to all of the holders of voting securities of the company and if after such offer the offeror holds securities carrying more than 90% of the voting rights, the remaining security holders may require that the offeror purchase the remaining securities of the same class. The price offered in a voluntary offer would be considered "fair" in the sell-out proceedings if the offeror acquired at least 90% of the company's shares carrying voting rights and which were the subject of the offer. The price paid in a mandatory offer is deemed a fair price. The consideration paid in the sell-out proceedings must take the same form as the consideration offered in the offer or consist solely of cash. Moreover, an all-cash option must be offered to the remaining shareholders of the company. Finally, the right to initiate sell-out proceedings must be exercised within three months following the expiration of the offer.

We also fall under the scope of the Luxembourg law of July 21, 2012 on the squeeze-out and sell-out of securities of companies admitted or having been admitted to trading on a regulated market or which have been subject to a public offer (the "Luxembourg Mandatory Squeeze-Out and Sell-Out Law"). The Luxembourg Mandatory Squeeze-Out and Sell-Out Law provides that, subject to the conditions set forth therein being met, if any individual or legal entity, acting alone or in concert with another, holds a number of shares or other voting securities representing at least 95% of the voting share capital and 95% of the voting rights of the company: (i) such holder may require the holders of the remaining shares or other voting securities to sell those remaining securities (the "Mandatory Squeeze-Out"); and (ii) the holders of the remaining shares or securities may require such holder to purchase those remaining shares or other voting securities (the "Mandatory Sell-Out"). The Mandatory Squeeze-Out and the Mandatory Sell-Out must be exercised at a fair price according to objective and adequate methods applying to asset disposals. The procedures applicable to the Mandatory Squeeze-Out and the Mandatory Sell-Out are subject to further conditions and must be carried out under the supervision of the *Commission de Surveillance du Secteur Financier* (the "CSSF").

Disclosure of transactions by persons discharging managerial responsibilities

Pursuant to Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse and related regulations (collectively referred to as the "Market Abuse Regulation"), persons discharging managerial responsibilities within the company as well as persons closely associated with them, must notify the CSSF and the company of every transaction conducted on their own account (a concept that must be interpreted within the meaning of the Market Abuse Regulation) relating to our shares instruments or to derivatives or other financial instruments linked thereto. The obligation applies to any subsequent transaction once a total amount of EUR 5,000 has been reached within a calendar year, calculated by adding without netting all relevant transactions relating to the shares. The notification must be made promptly and no later than three business days after the date of the transaction. The company must ensure that any information on relevant transactions notified to it is made public promptly and no later than three business days after the transaction in a manner which enables fast access to this information on a non-discriminatory basis.

For the purpose of the Market Abuse Regulation, a "person discharging managerial responsibilities" means a person who is (a) a member of the administrative, management or supervisory body of that entity; or (b) a senior executive who is not a member of the bodies referred to in point (a), who has regular access to inside information relating directly or indirectly to that entity and power to take managerial decisions affecting the future developments and business prospects of that entity.

"Persons discharging senior managerial responsibilities" within our company are the members of our board of directors and the members of our senior management identified in this report.

Publication of regulated information

Pursuant to directive 2004/109/EC of the European Parliament and of the Council of December 15, 2004 on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted on trading on a regulated market (the "Transparency Directive"), issuers that fall within the scope of that directive are required to provide ongoing and periodic information which the directive defines as "regulated information". As regards that regulated information, the Transparency Directive imposes three obligations on issuers:

- publish the regulated information;
- make this information available to an Officially Appointed Mechanism ("OAM") for the central storage of regulated information; and
- file the regulated information with the competent authority of the relevant home European Economic Area Member State.

In accordance with article 20 of the Luxembourg law of January 11, 2008 implementing the Transparency Directive (the "Transparency Law"), issuers are required to disclose regulated information in a manner ensuring fast access to such information on a non-discriminatory basis. Thus, they shall use such media as may reasonably be relied upon for the effective dissemination of information to the public in all European Economic Area Member States.

We are required to file the aforementioned information with the OAM in Luxembourg.

All news and press releases issued by us are available on our website at www.globant.com in the "Investors" section.

No Appraisal Rights

Neither Luxembourg law nor our articles of association provide for any appraisal rights of dissenting shareholders.

Distributions

Subject to Luxembourg law, if and when a dividend is declared by the general meeting of shareholders or an interim dividend is declared by our board of directors, each common share is entitled to participate equally in such distribution of funds legally available for such purposes. Pursuant to our articles of association, our board of directors may pay interim dividends, subject to Luxembourg law.

Declared and unpaid distributions held by us for the account of the shareholders shall not bear interest. Under Luxembourg law, claims for unpaid distributions will lapse in our favor five years after the date such distribution became due and payable.

Any amount payable with respect to dividends and other distributions declared and payable may be freely transferred out of Luxembourg, except that any specific transfer may be prohibited or limited by anti-money laundering regulations, freezing orders or similar restrictive measures.

Annual Accounts

Under Luxembourg law, our board of directors must prepare annual accounts and consolidated accounts. Except in some cases provided for by Luxembourg Law, our board of directors must also annually prepare management reports on the annual accounts and consolidated accounts. The annual accounts, the consolidated accounts, the management report and the auditor's reports must be available for inspection by shareholders at our registered office at least 15 calendar days prior to the date of the annual ordinary general meeting of shareholders.

The annual accounts and consolidated accounts are audited by an approved statutory auditor (*réviseur d'entreprises agréé*).

The annual accounts and the consolidated accounts, after approval by the annual ordinary general meeting of shareholders, will be filed with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés* of Luxembourg).

Information Rights

Luxembourg law gives shareholders limited rights to inspect certain corporate records 15 calendar days prior to the date of the annual ordinary general meeting of shareholders, including the annual accounts with the list of directors and auditors, the consolidated accounts, the notes to the annual accounts and the consolidated accounts, a list of shareholders whose common shares are not fully paid up, the management reports and the auditor's report.

In addition, any registered shareholder is entitled to receive a copy of the annual accounts, the consolidated accounts, the auditor's reports and the management reports free of charge prior to the date of the annual ordinary general meeting of shareholders.

Under Luxembourg law, it is generally accepted that a shareholder has the right to receive responses to questions concerning items on the agenda for a general meeting of shareholders, if such responses are necessary or useful for a shareholder to make an informed decision concerning such agenda item, unless a response to such questions could be detrimental to our interests.

Disclosure of significant ownership of our shares

Holders of common shares, including depositary receipts representing common shares admitted to trading on a regulated market and for which Luxembourg is the home Member State and to which voting rights are attached (the "Securities") and derivatives or other financial instruments linked to the Securities may be subject to notification obligations pursuant to the Luxembourg law of January 11, 2008 on transparency requirements for issuers, as amended (the "Luxembourg Transparency Law") and the Grand ducal regulation of January 11, 2008 on transparency requirements for issuers, as amended. The following description summarizes these obligations. Our common shareholders are advised to consult with their own legal advisers to determine whether the notification obligations apply to them.

The Luxembourg Transparency Law provides that, if a person acquires or disposes of Securities of the Company, and if following the acquisition or disposal, the proportion of voting rights held by the person reaches, exceeds or falls below one of the thresholds of 5%, 10%, 15%, 20%, 25%, 33 1/3%, 50% or 66 2/3% (each a "Relevant Threshold") of the total voting rights existing when the situation giving rise to a declaration occurs, such person must simultaneously notify us and the CSSF of the proportion of voting rights held by it further to such event. The voting rights shall be calculated on the basis of all the common shares, including depositary receipts representing common shares, to which voting rights are attached even if the exercise thereof is suspended. Moreover, this information shall be given in respect of all the common shares, including depositary receipts representing common shares, which are in the same class and to which voting rights are attached. A person must also notify us and the CSSF of the proportion of his or her voting rights if that proportion reaches, exceeds or falls below the above mentioned thresholds as a result of events changing the breakdown of voting rights and on the basis of the information disclosed by us.

The same notification requirements apply to a natural person or legal entity to the extent such person or entity is entitled to acquire, to dispose of, or to exercise voting rights in any of the following cases or a combination of them:

- a. voting rights held by a third party with whom that person or entity has concluded an agreement, which obliges them to adopt, by concerted exercise of the voting rights they hold, a lasting common policy towards the management of the issuer;
- b. voting rights held by a third party under an agreement concluded with that person or entity providing for the temporary transfer for consideration of the voting rights in question;
- c. voting rights attaching to Securities which are lodged as collateral with that person or entity, provided the person or entity controls the voting rights and declares his intention of exercising them;
- d. voting rights attaching to Securities in which that person or entity has the life interest;
- e. voting rights which are held, or may be exercised within the meaning of points (a) to (d), by an undertaking controlled by that person or entity;
- f. voting rights attaching to Securities deposited with that person or entity which the person or entity can exercise at his discretion in the absence of specific instructions from the Securities holders;
- g. voting rights held by a third party in its own name on behalf of that person or entity;
- h. voting rights which that person or entity may exercise as a proxy where the person or entity can exercise the voting rights at his discretion in the absence of specific instructions from the Securities holders.

The above notification requirements also apply to a natural person or legal entity that holds, directly or indirectly, financial instruments linked to our common shares.

Board of Directors

Globant S.A. is managed by our board of directors which is vested with the broadest powers to take any actions necessary or useful to fulfill our corporate purpose with the exception of actions reserved by law or our articles of association to the general meeting of shareholders. Our articles of association provide that our board of directors must consist of at least seven members and no more than fifteen members. Our board of directors meets as often as company interests require.

A majority of the members of our board of directors present or represented at a board meeting constitutes a quorum, and resolutions are adopted by the simple majority vote of our board members present or represented. In the case of a tie, the chairman of our board shall have the deciding vote. Our board of directors may also make decisions by means of resolutions in writing signed by all directors.

Directors are elected by the general meeting of shareholders, and appointed for a period of up to four years; provided, however, that directors are elected on a staggered basis, with one-third of the directors being elected each year; and provided, further, that such term may be exceeded by a period up to the annual general meeting held following the fourth anniversary of the appointment, and each director will hold office until his or her successor is elected. The general shareholders' meeting may remove one or more directors at any time, without cause and without prior notice by a resolution passed by simple majority vote. If our board of directors has a vacancy, such vacancy may be filled on a temporary basis by a person designated by the remaining members of our board of directors until the next general meeting of shareholders, which will resolve on a permanent appointment. Any director shall be eligible for re-election indefinitely.

Within the limits provided for by law and our articles of association, our board of directors may delegate to one or more directors or to any one or more persons, who need not be shareholders, acting alone or jointly, the daily management of Globant S.A. and the authority to represent us in connection with such daily management. Our board of directors may also grant special powers to any person(s) acting alone or jointly with others as agent of Globant S.A.

Our board of directors may establish one or more committees, including without limitation, an audit committee, a corporate governance and nominating committee and a compensation committee, and for which it shall, if one or more of such committees are set up, appoint the members, determine the purpose, powers and authorities as well as the procedures and such other rules as may be applicable thereto.

No contract or other transaction between us and any other company or firm shall be affected or invalidated by the fact that any one or more of our directors or officers is interested in, or is a director, associate, officer, agent, adviser or employee of such other company or firm. Any director or officer who serves as a director, officer or employee or otherwise of any company or firm with which we shall contract or otherwise engage in business shall not, by reason of such affiliation with such other company or firm only, be prevented from considering and voting or acting upon any matters with respect to such contract or other business.

Any director having an interest in a transaction submitted for approval to our board of directors that conflicts with our interest, must inform our board of directors thereof and to cause a record of his statement to be included in the minutes of the meeting. Such director may not take part in these deliberations and may not vote on the relevant transaction. At the next general meeting, before any resolution is put to a vote, a special report shall be made on any transactions in which any of the directors may have had an interest that conflicts with our interest.

No shareholding qualification for directors is required.

Any director and other officer, past and present, is entitled to indemnification from us to the fullest extent permitted by law against liability and all expenses reasonably incurred or paid by such director in connection with any claim, action, suit or proceeding in which he is involved as a party or otherwise by virtue of his being or having been a director. We may purchase and maintain insurance for any director or other officer against any such liability.

No indemnification shall be provided against any liability to us or our shareholders by reason of willful misconduct, bad faith, gross negligence or reckless disregard of the duties of a director or officer. No indemnification will be provided with respect to any matter as to which the director or officer shall have been finally adjudicated to have acted in bad faith and not in our interest, nor will indemnification be provided in the event of a settlement (unless approved by a court or our board of directors).

Registrars and registers for the common shares

All our common shares are in registered form only.

We keep a register of common shares at our registered office in Luxembourg. This register is available for inspection by any shareholder. In addition, we may appoint registrars in different jurisdictions who will each maintain a separate register for the registered common shares entered therein. It is possible for our shareholders to elect the entry of their common shares in one of these registers and the transfer thereof at any time from one register to any other, including to the register kept at our registered office. However, our board of directors may restrict such transfers for common shares that are registered, listed, quoted, dealt in or have been placed in certain jurisdictions in compliance with the requirements applicable therein.

Our articles of association provide that the ownership of registered common shares is established by inscription in the relevant register. We may consider the person in whose name the registered common shares are registered in the relevant register as the full owner of such registered common shares.

In connection with a general meeting, our board of directors may forbid any entry in the relevant register of shareholders as well as any recognition of notices of transfer by us or the relevant registrar during the period starting on the Record Date and ending on the closing of such general meeting. Transfer to, and on, the register kept at our registered office may always be requested.

Transfer Agent and Registrar

The transfer agent and registrar for our common shares is American Stock Transfer & Trust Company, LLC, with an address at 6201 15th Avenue Brooklyn, New York, NY 11219.

Our common shares are listed on the NYSE under the symbol "GLOB" and on the Official List of the Luxembourg Stock Exchange.

C. Material Contracts

In August, 2017, Globant LLC, our U.S. subsidiary, entered into a secured revolving credit facility with HSBC Bank USA, N.A. and Citibank N.A., with HSBC Bank USA, N.A. acting as administrative agent. Under this credit facility, Globant LLC may borrow up to \$40.0 million in advances accruing interest at LIBOR plus 1.75%. This credit facility is guaranteed by Globant S.A. and Globant España S.A. and is secured by Globant LLC's now owned and after-acquired assets. This facility matures on August, 2022 and includes customary negative and affirmative covenants: delivery of certain financial information; reports on any legal actions, complying with tax payments; maintain an asset coverage ratio of no less than 1.10; limiting Globant LLC's capital expenditures to 5% of our consolidated annual revenue per year; restricted payments must not to exceed \$10,000 per year; Globant LLC's annual revenue must remain at no less than 60% of our consolidated annual revenue and Globant LLC's net intercompany payable outstanding with Argentine affiliates must be no more than five months of billings from Argentina. As of the date of this annual report, Globant LLC has borrowed a total of \$6.0 million under this credit facility.

Aside from the revolving credit facility agreement mentioned above, we have not entered into any other material contract during the preceding two years which were outside the ordinary course of business. Notwithstanding the foregoing, during the preceding two years and up to the date of this annual report, we have issued shares under certain subscription agreements we entered into, which include, among other terms, certain transferability restrictions on the shares issued thereunder, as set forth below:

- In May 2016, we issued 75,221 common shares in favor of the sellers of WAE (the "WAE Subscribers") pursuant to the terms of certain subscription agreements entered into by us and the WAE Subscribers during that same month, and in August 2017 we issued 34,219 additional common shares to the WAE Subscribers also under the terms of the foregoing subscription agreements. As of the date of this annual report, such common shares are subject to certain transfer restrictions under the terms of the relevant subscription agreements, whereby the WAE Subscribers have agreed, among other terms, during a one-year period from the date of issuance of the common shares, not to offer, pledge, sell, announce the intention to sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, the common shares subscribed for under the subscription agreements, provided, however, that the foregoing restrictions are subject to a range of exceptions.
- In July 2016, we issued 23,508 common shares to the sellers of Clarice (the "Clarice Subscribers") pursuant to the terms of certain subscription agreements entered into by us and the Clarice Subscribers during that same month. As of the date of this annual report, such common shares are subject to certain transfer restrictions under the terms of the relevant subscription agreements, whereby the Clarice Subscribers have agreed, among others, during a one-year period from the date of issuance of the common shares, not to offer, pledge, sell, announce the intention to sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, the common shares subscribed for under the subscription agreements, provided, however, that the foregoing restrictions are subject to a range of exceptions.
- In November 2016, we issued 70,380 common shares in favor of the sellers of L4 Mobile (the "L4 Subscribers") pursuant to the terms of certain subscription agreements entered into by us and the L4 Subscribers during that same month. As of the date of this annual report such common shares are subject to certain transfer restrictions under the terms of the relevant subscription agreements, whereby the L4 Subscribers have agreed, among others, during a one-year period from the date of issuance of the common shares, not to offer, pledge, sell, announce the intention to sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, the common shares subscribed for under the subscription agreements, provided, however, that the foregoing restrictions are subject to a range of exceptions.
- In March 2017, we issued 34,309 common shares in favor of the sellers of Ratio (the "Ratio Subscribers") pursuant to the terms of certain subscription agreements entered into by us and the Ratio Subscribers during the previous month. As of the date of this annual report such common shares are subject to certain transfer restrictions under the terms of the relevant subscription agreements, whereby the Ratio Subscribers have agreed, among others, during a one-year period from the date of issuance of the common shares, not to offer, pledge, sell, announce the intention to sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, the common shares subscribed for under the subscription agreements, provided, however, that the foregoing restrictions are subject to a range of exceptions.
- In June 2017, we issued 84,953 common shares in favor of the sellers of PointSource (the "PointSource Subscribers") pursuant to the terms of certain subscription agreements entered into by us and the PointSource Subscribers during that same month, and in February 2018 we issued 12,265 additional common shares to the PointSource Subscribers also under the terms of the foregoing subscription agreements. As of the date of this annual report such common shares are subject to certain transfer restrictions under the terms of the relevant subscription agreements, whereby the PointSource Subscribers have agreed, among others, during a one-year period from the date of issuance of the common shares, not to offer, pledge, sell, announce the intention to sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, the common shares subscribed for under the subscription agreements, provided, however, that the foregoing restrictions are subject to a range of exceptions.

D. Exchange Controls

See "Information on the Company — Business Overview — Regulatory Overview — Foreign Exchange Controls."

E. Taxation

The following is a summary of the material Luxembourg and U.S. federal income tax consequences to U.S. Holders (as defined below) of the ownership and disposition of our common shares. This summary is based upon Luxembourg tax laws and U.S. federal income tax laws (including the U.S. Internal Revenue Code of 1986, as amended (the "Code"), final, temporary and proposed Treasury regulations, rulings, judicial decisions and administrative pronouncements), all currently in effect as of the date hereof and all of which are subject to change or changes in wording or administrative or judicial interpretation occurring after the date hereof, possibly with retroactive effect. To the extent that the following discussion relates to matters of Luxembourg tax law, it represents the opinion of Arendt & Medernach, Luxembourg, our Luxembourg counsel, and to the extent that the discussion relates to matters of U.S. federal income tax law, it represents the opinion of DLA Piper LLP (US), our U.S. counsel.

As used herein, the term "U.S. Holder" means a beneficial owner of one or more of our common shares:

- (a) that is for U.S. federal income tax purposes one of the following:
 - (i) an individual citizen or resident of the United States,
 - (ii) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any political subdivision thereof, or
 - (iii) an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source;
- (b) who holds the common shares as capital assets for U.S. federal income tax purposes;
- (c) who owns, directly, indirectly or by attribution, less than 10% of our share capital or voting shares; and
- (d) whose holding is not effectively connected with a permanent establishment in Luxembourg.

This summary does not address all of the tax considerations that may apply to holders that are subject to special tax rules, such as U.S. expatriates, insurance companies, tax-exempt organizations, certain financial institutions, persons subject to the alternative minimum tax, dealers and certain traders in securities, persons holding common shares as part of a straddle, hedging, conversion or other integrated transaction, persons who acquired their common shares pursuant to the exercise of employee shares options or otherwise as compensation, partnerships or other entities classified as partnerships for U.S. federal income tax purposes or persons whose functional currency is not the U.S. dollar. Such holders may be subject to U.S. federal income tax consequences different from those set forth below. In addition, this summary does not address all of the Luxembourg tax considerations that may apply to holders that are subject to special tax rules.

If a partnership holds common shares, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. A partnership, or partner in a partnership, that holds common shares is urged to consult its own tax advisor regarding the specific tax consequences of owning and disposing of the common shares.

Potential investors in our common shares should consult their own tax advisors concerning the specific Luxembourg and U.S. federal, state and local tax consequences of the ownership and disposition of our common shares in light of their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction.

Luxembourg Tax Considerations

Introduction

The following is an overview of certain material Luxembourg tax consequences of purchasing, owning and disposing of the common shares issued by us. It does not purport to be a complete analysis of all possible tax situations that may be relevant to a decision to purchase, own or deposit our common shares. It is included herein solely for preliminary information purposes and is not intended to be, nor should it be construed to be, legal or tax advice. Prospective purchasers of our common shares should consult their own tax advisers as to the applicable tax consequences of the ownership of our common shares, based on their particular circumstances. The following description of Luxembourg tax law is based upon the Luxembourg law and regulations as in effect and as interpreted by the Luxembourg tax authorities as of the date of this annual report and is subject to any amendments in law (or in interpretation) later introduced, whether or not on a retroactive basis. Please be aware that the residence concept used under the respective headings below applies for Luxembourg tax assessment purposes only. Any reference in this section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax laws and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) and personal income tax (*impôt sur le revenu*) generally. Corporate taxpayers may further be subject to net worth tax (*impôt sur la fortune*), as well as other duties, levies or taxes. Corporate income tax, municipal business tax, as well as the solidarity surcharge invariably applies to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and to the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Taxation of the company

Income tax

As the company is a fully-taxable Luxembourg company, its net taxable profit is as a rule subject to corporate income tax ("CIT") and municipal business tax ("MBT") at ordinary rates in Luxembourg.

The taxable profit as determined for CIT purposes is applicable, with minor adjustments, for MBT purposes. CIT is levied at an effective maximum rate of 20.33% in 2017 and 19.26% as from 2018 (inclusive of the 7% surcharge for the employment fund). MBT is levied at a variable rate according to the municipality in which the company is located (6.75% in the City of Luxembourg). The maximum aggregate CIT and MBT rate consequently amounts to 27.08% in 2017 and 26.01% as from 2018 for companies located in the City of Luxembourg.

Dividends and other payments derived from shares by the company are subject to income taxes, unless the conditions of the participation exemption regime, as described below, are satisfied. A tax credit is generally granted for withholding taxes levied at source within the limit of the tax payable in Luxembourg on such income, whereby any excess withholding tax is not refundable.

Under the participation exemption regime (subject to the relevant anti-abuse rules), dividends derived from shares may be exempt from income tax if (i) the distributing company is a qualified subsidiary ("Qualified Subsidiary") and (ii) at the time the dividend is put at the company's disposal, the company has held or commits itself to hold for an uninterrupted period of at least 12 months shares representing a direct participation in the share capital of the Qualified Subsidiary (i) of at least 10% or of (ii) an acquisition price of at least €1.2 million. A Qualified Subsidiary means (a) a Luxembourg resident fully-taxable company limited by share capital (*société de capitaux*), (b) a company covered by Article 2 of the Council Directive 2011/96/EU of November 30, 2011 as amended (the "EU Parent-Subsidiary Directive") or (c) a non-resident company limited by share capital (*société de capitaux*) liable to a tax corresponding to Luxembourg CIT.

Liquidation proceeds are assimilated to a received dividend and may be exempt under the same conditions. If the conditions of the participation exemption regime are not met, dividends derived by the company from Qualified Subsidiaries may be exempt for 50 % of their gross amount if they are received from (i) a Luxembourg resident fully-taxable company limited by share capital, or (ii) a company limited by share capital resident in a State with which the Grand Duchy of Luxembourg has concluded a double tax treaty and liable to a tax corresponding to Luxembourg CIT, or (iii) a company resident in a EU Member State and covered by Article 2 of the EU Parent-Subsidiary Directive.

Capital gains realized by the company on shares are subject to CIT and MBT at ordinary rates, unless the conditions of the participation exemption regime, as described below, are satisfied. Under the participation exemption regime, capital gains realized on shares of a Qualified Subsidiary may be exempt from CIT and MBT at the level of the company if at the time the capital gain is realized, the company has held or commits itself to hold for an uninterrupted period of at least 12 months shares representing a direct participation in the share capital of the Qualified Subsidiary (i) of at least 10% or of (ii) an acquisition price of at least €6 million. Taxable gains are defined as being the difference between the price for which shares have been disposed of and the lower of their cost or book value.

Withholding tax

Dividends paid by us to the holders of our common shares are as a rule subject to a 15% withholding tax in Luxembourg, unless a reduced withholding tax rate applies pursuant to an applicable double tax treaty or an exemption pursuant to the application of the participation exemption, and, to the extent withholding tax applies, we are responsible for withholding amounts corresponding to such taxation at its source.

If the company and a U.S. relevant holder are eligible for the benefits of the tax treaty concluded between the United State and Luxembourg (the "Treaty"), the rate of withholding on distributions is 15%, or 5% if the U.S. relevant holder is a qualified resident company as defined in Article 24 of the Treaty that owns at least 10% of our the company's voting stock.

A withholding tax exemption may apply under the participation exemption if cumulatively (i) the holder of our shares is an eligible parent (an "Eligible Parent") and (ii) at the time the income is made available, the holder of our shares has held or commits itself to hold for an uninterrupted period of at least 12 months a direct participation of at least 10% of our share capital or a direct participation of an acquisition price of at least €1.2 million (or an equivalent amount in another currency). Holding a participation through an entity treated as tax transparent from a Luxembourg income tax perspective is deemed to be a direct participation in proportion to the net assets held in this entity. An Eligible Parent includes (a) a company covered by Article 2 of the EU Parent-Subsidiary Directive or a Luxembourg permanent establishment thereof, (b) a company resident in a State having a double tax treaty with Luxembourg and subject to a tax corresponding to Luxembourg CIT or a Luxembourg permanent establishment thereof, (c) a company limited by share capital (*société de capitaux*) or a cooperative society (*société coopérative*) resident in the European Economic Area other than an EU Member State and liable to a tax corresponding to Luxembourg CIT or a Luxembourg permanent establishment thereof or (d) a Swiss company limited by share capital (*société de capitaux*) which is effectively subject to corporate income tax in Switzerland without benefiting from an exemption.

No withholding tax is levied on capital gains and liquidation proceeds.

Net wealth tax

The company is as a rule subject to Luxembourg net wealth tax ("NWT") on its net assets as determined for net wealth tax purposes. NWT is levied at the rate of 0.5% on net assets not exceeding EUR 500 million and at the rate of 0.05% on the portion of the net assets exceeding EUR 500 million. Net worth is referred to as the unitary value (*valeur unitaire*), as determined at 1 January of each year. The unitary value is in principle calculated as the difference between (i) assets estimated at their fair market value (*valeur estimée de réalisation*), and (ii) liabilities vis-à-vis third parties.

Under the participation exemption regime, a qualified shareholding held by the company in a Qualified Subsidiary is exempt for net wealth tax purposes.

A minimum net wealth tax ("MNWT") is levied on companies having their statutory seat or central administration in Luxembourg. For entities for which the sum of fixed financial assets, receivables against related companies, transferable securities and cash at bank exceeds 90% of their total balance sheet and EUR 350,000, the MNWT is set at EUR 4,815. For all other companies having their statutory seat or central administration in Luxembourg which do not fall within the scope of the EUR 4,815 MNWT, the MNWT ranges from EUR 535 to EUR 32,100, depending on the company's total balance sheet.

Other taxes

The issuance of our common shares and any other amendment of our articles of association are currently subject to a €75 fixed registration duty. The disposal of our common shares is not subject to a Luxembourg registration tax or stamp duty, unless recorded in a Luxembourg notarial deed or otherwise registered in Luxembourg.

Taxation of the holders of commons shares

Luxembourg tax residency of the holders of our common shares

A holder of our common shares will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of our common shares or the execution, performance or enforcement of his/her rights thereunder.

Income tax

Luxembourg resident holders

Luxembourg individual residents

Dividends and other payments derived from our common shares by resident individual holders of our common shares, who act in the course of the management of either their private wealth or their professional or business activity, are subject to income tax at the ordinary progressive rates. A tax credit may be granted, under certain circumstances, for Luxembourg withholding tax levied. 50% of the gross amount of dividends received from the company by resident individual holders of our common shares are exempt from income tax.

Capital gains realized on the disposal of our common shares by resident individual holders of our common shares, who act in the course of the management of their private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative and are subject to income tax at ordinary rates if our common shares are disposed of within six months after their acquisition or if their disposal precedes their acquisition. Speculative gains are subject to income tax as miscellaneous income at ordinary rates. A participation is deemed to be substantial where a resident individual holder of our common shares holds or has held, either alone or together with his spouse or partner and / or minor children, directly or indirectly at any time within the five years preceding the disposal, more than 10% of the share capital of the company whose common shares are being disposed of. A holder of our common shares is also deemed to alienate a substantial participation if he acquired free of charge, within the five years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year period). Capital gains realized on a substantial participation more than six months after the acquisition thereof are taxed according to the half-global rate method, (*i.e.* the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the participation.

Capital gains realized on the disposal of our common shares by resident individual holders of our common shares, who act in the course of their professional or business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which our common shares have been disposed of and the lower of their cost or book value.

Luxembourg fully-taxable corporate residents

Dividends and other payments derived from our common shares by Luxembourg-resident, fully-taxable companies are subject to CIT and MBT, unless the conditions of the participation exemption regime, as described below, are satisfied. A tax credit may, under certain circumstances, be granted for any Luxembourg withholding tax levied. If the conditions of the participation exemption regime are not met, 50% of the gross amount of dividends received by Luxembourg-resident, fully-taxable companies from our common shares are exempt from CIT and MBT.

Under the participation exemption regime, dividends derived from our common shares may be exempt from CIT and MBT at the level of the holder of our common shares if cumulatively (i) the holder of our common shares is a Luxembourg-resident, fully-taxable company and (ii) at the time the dividend is put at the holder of our common shares' disposal, the holder of our common shares has held or commits itself to hold for an uninterrupted period of at least 12 months a qualified shareholding ("Qualified Shareholding"). A Qualified Shareholding means common shares representing a direct participation of at least 10% in the share capital of the company or a direct participation in the company of an acquisition price of at least €1.2 million (or an equivalent amount in another currency). Liquidation proceeds are assimilated to a received dividend and may be exempt under the same conditions. Common shares held through a tax-transparent entity are considered as being a direct participation proportionally to the percentage held in the net assets of the transparent entity.

Capital gains realized by a Luxembourg-resident, fully-taxable company on our common shares are subject to CIT and MBT at ordinary rates, unless the conditions of the participation exemption regime, as described below, are satisfied. Under the participation exemption regime, capital gains realized on our common shares may be exempt from income tax at the level of the holder of our common shares if cumulatively (i) the holder of our common shares is a Luxembourg fully-taxable corporate resident and (ii) at the time the capital gain is realized, the holder of our common shares has held or commits itself to hold for an uninterrupted period of at least 12 months our common shares representing a direct participation in the share capital of the company of at least 10% or a direct participation in the company of an acquisition price of at least €6 million (or an equivalent amount in another currency). Taxable gains are determined as being the difference between the price for which our common shares have been disposed of and the lower of their cost or book value.

Luxembourg residents benefiting from a special tax regime

Holders of our common shares who are either (i) an undertaking for collective investment governed by the amended law of December 17, 2010, (ii) a specialized investment fund governed by the amended law of February 13, 2007, (iii) a family wealth management company governed by the amended law of May 11, 2007 and (iv) a reserved alternative investment fund treated as a specialized investment fund for Luxembourg tax purposes governed by the law of July 23, 2016, are exempt from income tax in Luxembourg. Dividends derived from and capital gains realized on our common shares are thus not subject to income tax in their hands.

Luxembourg non-resident holders

Non-resident holders of our common shares who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom our common shares are attributable, are not liable to any Luxembourg income tax on income and gains derived from our common shares except capital gains realised on (i) a substantial participation before the acquisition or within the first six months of the acquisition thereof, or (ii) a substantial participation more than six months after the acquisition thereof by a holder of our common shares who has been a former Luxembourg resident for more than fifteen years and has become a non-resident, at the time of transfer, less than five years ago. A participation is deemed to be substantial where a shareholder holds or has held, either alone or, in case of an individual shareholder, together with his/her spouse or partner and/or minor children, directly or indirectly at any time within the five years preceding the disposal, more than 10% of the share capital of the company whose common shares are being disposed of. A shareholder is also deemed to alienate a substantial participation if he acquired free of charge, within the five years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year period).

If the company and a U.S. relevant holder are eligible for the benefits of the Treaty, such U.S. relevant holder generally should not be subject to Luxembourg tax on the gain from the disposal of such common shares unless such gain is attributable to a permanent establishment of such U.S. relevant holder in Luxembourg.

Non-resident holders of our common shares which have a permanent establishment or a permanent representative in Luxembourg to which or whom our common shares are attributable, must include any income received, as well as any gain realized, on the sale, disposal or redemption of our common shares, in their taxable income for Luxembourg tax assessment purposes, unless the conditions of the participation exemption regime, as described below, are satisfied. If the conditions of the participation exemption regime are not fulfilled, 50% of the gross amount of dividends received by a Luxembourg permanent establishment or permanent representative may be, however, exempt from income tax. Taxable gains are determined as being the difference between the price for which the common shares have been disposed of and the lower of their cost or book value.

Under the participation exemption regime, dividends derived from our common shares may be exempt from income tax if cumulatively (i) our common shares are attributable to a qualified permanent establishment ("Qualified Permanent Establishment") and (ii) at the time the dividend is put at the disposal of the Qualified Permanent Establishment, it has held or commits itself to hold a Qualified Shareholding for an uninterrupted period of at least 12 months. A Qualified Permanent Establishment means (a) a Luxembourg permanent establishment of a company covered by Article 2 of the EU Parent-Subsidiary Directive, (b) a Luxembourg permanent establishment of a company limited by share capital (*société de capitaux*) resident in a State having a tax treaty with Luxembourg, and (c) a Luxembourg permanent establishment of a company limited by share capital (*société de capitaux*) or a cooperative society (*société coopérative*) resident in the European Economic Area other than a EU Member State. Liquidation proceeds are assimilated to a received dividend and may be exempt under the same conditions. Common shares held through a tax transparent entity are considered as being a direct participation proportionally to the percentage held in the net assets of the transparent entity.

Under the participation exemption regime, capital gains realized on our common shares may be exempt from income tax if (i) our common shares are attributable to a Qualified Permanent Establishment and (ii) at the time the capital gain is realized, the Qualified Permanent Establishment has held or commits itself to hold, for an uninterrupted period of at least 12 months, our common shares representing a direct participation in the share capital of the company of at least 10% or a direct participation in the company of an acquisition price of at least €6 million (or an equivalent amount in another currency). Taxable gains are determined as being the difference between the price for which our common shares have been disposed of and the lower of their cost or book value.

Net Wealth Tax

Luxembourg resident holders of our common shares, as well as non-resident holders of our common shares who have a permanent establishment or a permanent representative in Luxembourg to which or whom our common shares are attributable, are subject to Luxembourg net wealth tax on our common shares, except if the holder is (i) a resident or non-resident individual taxpayer, (ii) a securitization company governed by the amended law of March 22, 2004 on securitization, (iii) a company governed by the amended law of June 15, 2004 on venture capital vehicles, (iv) a professional pension institution governed by the amended law of July 13, 2005, (v) a specialized investment fund governed by the amended law of February 13, 2007, (vi) a family wealth management company governed by the amended law of May 11, 2007, (vii) an undertaking for collective investment governed by the amended law of December 17, 2010 or (viii) a reserved alternative investment fund governed by the law of July 23, 2016. However, (i) a securitization company governed by the amended law of March 22, 2004 on securitization, (ii) a company governed by the amended law of June 15, 2004 on venture capital vehicles, (iii) a professional pension institution governed by the amended law of July 13, 2005 and (iv) a reserved alternative investment fund treated as a venture capital vehicle for Luxembourg tax purposes and governed by the law of July 23, 2016, remain subject to minimum net wealth tax.

Under the participation exemption, a Qualified Shareholding held in the company by an Eligible Parent or attributable to a Qualified Permanent Establishment may be exempt. The net wealth tax exemption for a Qualified Shareholding does not require the completion of the 12-month holding period.

Other Taxes

Under Luxembourg tax law, where an individual holder of our common shares is a resident of Luxembourg for tax purposes at the time of his or her death, our common shares are included in his or her taxable basis for inheritance tax purposes. On the contrary, no inheritance tax is levied on the transfer of our common shares upon the death of an individual holder in cases where the deceased was not a resident of Luxembourg for inheritance purposes.

Gift tax may be due on a gift or donation of our common shares, if the gift is recorded in a Luxembourg notarial deed or otherwise registered in Luxembourg.

U.S. Federal Income Tax Considerations

Taxation of dividends

Distributions received by a U.S. Holder on common shares, including the amount of any Luxembourg taxes withheld, other than certain pro rata distributions of common shares to all shareholders, will constitute foreign source dividend income to the extent paid out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). Because we do not maintain calculations of our earnings and profits under U.S. federal income tax principles, it is expected that such distributions (including any Luxembourg taxes withheld) will be reported to U.S. Holders as dividends. Although it is our intention, if we pay any dividends, to pay such dividends in U.S. dollars, if dividends are paid in euros, the amount of the dividend a U.S. Holder will be required to include in income will equal the U.S. dollar value of the euro, calculated by reference to the exchange rate in effect on the date the payment is received by the U.S. Holder, regardless of whether the payment is converted into U.S. dollars on the date of receipt. If the dividend is converted to U.S. dollars on the date of receipt, a U.S. holder should not be required to recognize foreign currency gain or loss in respect of the dividend income. A U.S. Holder may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of its receipt. If a U.S. Holder realizes gain or loss on a sale or other disposition of euro, it will be U.S. source ordinary income or loss. U.S. Holders that are corporations generally will not be entitled to claim a dividends received deduction with respect to any distributions they receive from us, except that certain U.S. Holders that are corporations and that directly, indirectly or constructively own 10% or more of our voting power or value may be entitled to a 100% dividends received deduction under certain circumstances. The rules with respect to the dividends received deduction are complex and involve the application of rules that depend on a U.S. Holder's particular circumstances and on whether we are a PFIC (defined below), a "controlled foreign corporation" or both, among other things. You should consult your own tax advisor to determine the effect of the dividends received deduction on your ownership of our common stock. Subject to applicable limitations, dividends received by certain non-corporate U.S. Holders of common shares generally will be taxable at the reduced rate that otherwise applies to long-term capital gains. Non-corporate U.S. Holders should consult their own tax advisors to determine whether they are subject to any special rules that limit their ability to be taxed at this favorable rate. Certain pro rata distributions of ordinary shares to all shareholders are not generally subject to U.S. federal income tax.

Instead of claiming a credit, a U.S. Holder may elect to deduct foreign taxes (including any Luxembourg taxes) in computing its taxable income, subject to generally applicable limitations. An election to deduct foreign taxes (instead of claiming foreign tax credits) applies to all taxes paid or accrued in the taxable year to foreign countries and possessions of the United States. The limitations on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. The rules governing foreign tax credits are complex. Therefore, U.S. Holders should consult their own tax advisors regarding the availability of foreign tax credits in their particular circumstances.

Taxation upon sale or other disposition of common shares

A U.S. Holder will recognize U.S. source capital gain or loss on the sale or other disposition of common shares, which will be long-term capital gain or loss if the U.S. Holder has held such common shares for more than one year. The amount of the U.S. Holder's gain or loss will be equal to the difference between such U.S. Holder's tax basis in the common shares sold or otherwise disposed of and the amount realized on the sale or other disposition.

Passive foreign investment company rules

We believe that we will not be a passive foreign investment company ("PFIC") for U.S. federal income tax purposes for this current taxable year and does not expect to become one in the foreseeable future. However, because PFIC status depends upon the composition of our income and assets and the market value of its assets (including, among others, less than 25% owned equity investments) from time to time, there can be no assurance that we will not be considered a PFIC for any taxable year. Because we have valued our goodwill based on the market value of our equity, a decrease in the price of common shares may also result in us becoming a PFIC. The composition of our income and our assets will also be affected by how, and how quickly, we spend our cash. Under circumstances where the cash is not deployed for active purposes, our risk of becoming a PFIC may increase. If we were treated as a PFIC for any taxable year during which a U.S. Holder held common shares, certain adverse tax consequences could apply to the U.S. Holder.

If we were treated as a PFIC for any taxable year during which a U.S. Holder held common shares, gain recognized by a U.S. Holder on a sale or other disposition of a common shares would be allocated ratably over the U.S. Holder's holding period for the common shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, and an interest charge would be imposed on the resulting tax liability. The same treatment would apply to any distribution in respect of common shares to the extent it exceeds 125% of the average of the annual distributions on common shares received by the U.S. Holder during the preceding three years or the U.S. Holder's holding period, whichever is shorter. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the common shares.

In addition, if we were treated as a PFIC in a taxable year in which it pays a dividend or in the prior taxable year, the reduced rate discussed above with respect to dividends paid to certain non-corporate U.S. Holders would not apply.

Information reporting and backup withholding

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting and to backup withholding unless the U.S. Holder is a corporation or other exempt recipient or, in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle such U.S. Holder to a refund, provided that the required information is timely furnished to the Internal Revenue Service.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts.

Not applicable.

H. Documents on Display

As a foreign private issuer, we are subject to periodic reporting and other informational requirements of the Exchange Act as applicable. Accordingly, we are required to file reports, including this annual report on Form 20-F, and other information with the SEC. However, we are allowed four months to file our annual report with the SEC instead of approximately three, and we are not required to disclose certain detailed information regarding executive compensation that is required from United States domestic issuers. In addition, we are not required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently as companies that are not foreign private issuers whose securities are registered under the Exchange Act. Also, as a foreign private issuer, we are exempt from the rules of the Exchange Act prescribing the furnishing of proxy statements to shareholders, and our senior management, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

As a foreign private issuer, we are also exempt from the requirements of Regulation FD (Fair Disclosure) which, generally, are meant to ensure that select groups of investors are not privy to specific information about an issuer before other investors. We are, however, still subject to the anti-fraud and anti-manipulation rules of the SEC, such as Rule 10b-5. Since many of the disclosure obligations required of us as a foreign private issuer are different than those required by other United States domestic reporting companies, our shareholders, potential shareholders and the investing public in general should not expect to receive information about us in the same amount, and at the same time, as information is received from, or provided by, other United States domestic reporting companies. We are liable for violations of the rules and regulations of the SEC which do apply to us as a foreign private issuer.

You may review and copy the registration statement, reports and other information we file at the SEC's Public Reference Room at 100 F Street, N.E., Washington, DC 20549. You may also request copies of these documents upon payment of a duplicating fee by writing to the SEC.

For further information on the Public Reference Room, please call the SEC at 1-800-SEC-0330. Our SEC filings, including the registration statement, are also available to you on the SEC's website at <http://www.sec.gov>. This site contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. The information on that website is not part of this annual report.

I. Subsidiaries Information

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Our market risk exposure results primarily from concentration of credit risk, fluctuations in interest rates and foreign currency rates and inflation. We do not engage in trading of derivative instruments for speculative purposes.

Concentration of Credit and Other Risk

Financial instruments that potentially subject us to significant concentrations of credit risk consist primarily of cash and bank balances, short-term investments and trade receivables. These financial instruments approximate fair value due to short-term maturities. We maintain our cash and bank balances and short-term investments with high credit quality financial institutions. Our investment portfolio is primarily comprised of time deposits and corporate and treasury bonds. We believe that our credit policies reflect normal industry terms and business risk. We do not anticipate non-performance by the counterparties and, accordingly, do not require collateral.

Trade receivables are generally dispersed across our clients in proportion to the revenues we generate from them. For the years ended December 31, 2017, 2016 and 2015, our top five clients accounted for 28.9%, 33.7% and 33.0%, respectively, of our net revenues. Our top client for the years ended December 31, 2017, 2016 and 2015, accounted for 10.2%, 9.7% and 12.3%, respectively. Our top client for 2017 and 2015 was Walt Disney Parks and Resorts Online; Southwest Airlines Co. was our top client for 2016. As of December 31, 2017 and 2015, accounts receivable from Walt Disney Parks and Resorts Online represented 10.1% and 11.2% of our total accounts receivable, respectively; whereas accounts receivable from Southwest Airlines Co. in 2016, represented 9.9% of our total accounts receivable.

Credit losses and write-offs of trade receivable balances have historically not been material to our consolidated financial statements.

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates primarily to our cash and bank balances and our credit facilities. Our credit lines in Argentina and the United States bear interest at fixed rates ranging from 15.25% and 15.50% in local currency (equivalent to an interest rate around 3.75% and 4%), and at variable rates from 1.75% at 3.4%, respectively. We do not use derivative financial instruments to hedge our risk of interest rate volatility.

Based on our debt position as of December 31, 2017, if we needed to refinance our existing debt, a 1% increase in interest rates would not materially impact us.

We have not been exposed to material risks due to changes in market interest rates. However, our future financial costs related to borrowings may increase and our financial income may decrease due to changes in market interest rates.

Foreign Exchange Risk

Our exchange rate risk arises in the ordinary course of our business primarily from our foreign currency expenses and, to a lesser extent, revenues. We are also exposed to exchange rate risk on the portion of our cash and bank balances, investments and trade receivables that is denominated in currencies other than the U.S. dollar and on other receivables, such as Argentine tax credits.

Our consolidated financial statements are prepared in U.S. dollars. Because the majority of our operations are conducted in Latin America and Asia, we incur the majority of our operating expenses and capital expenditures in non-U.S. dollar currencies, primarily the Argentine peso, Uruguayan peso, Colombian peso, Mexican peso, Indian rupees and Brazilian real. 85.8% of our revenues for the year ended December 31, 2017 was generated in U.S. dollars, with the balance being generated primarily in Euros and, to a lesser extent, other currencies (including the Argentine peso, the Colombian peso and the Mexican peso). The following table shows the breakdown of our revenues by the currencies in which they were generated during the years ended December 31, 2017, 2016 and 2015, respectively.

	Year ended December 31,					
	2017		2016		2015	
By Currency						
USD	\$ 354,824	85.8%	\$ 290,636	90.0%	\$ 236,788	93.3%
EUR	23,518	5.7%	12,060	3.7%	2,168	0.9%
GBP	4,107	1.0%	4,988	1.5%	3,661	1.4%
Others	30,990	7.5%	15,172	4.8%	11,179	4.4%
Revenues	\$ 413,439	100.0%	\$ 322,856	100.0%	\$ 253,796	100.0%

Until December 31, 2016, when our Argentine subsidiaries received payments in U.S. dollars for services performed under our client contracts, we were required by Argentine law to convert such amounts into Argentine pesos, as a result of which the portion of our cash and bank balances that we held in Argentina was exposed to the fluctuations in the official exchange rate between the Argentine peso and the U.S. dollar. This exposure was short term, as these funds were immediately used to pay salaries and capital expenditures primarily in Argentina. The Argentine peso has fluctuated significantly against the U.S. dollar since the end of Argentine peso/U.S. dollar parity in 2002 and experienced periods of strong devaluation. Historically, we have been able to mitigate the risk of devaluation on our cash balances and investments denominated in Argentine pesos through purchases of U.S. dollars. From October 2011 to December 2015, as Cristina Fernández de Kirchner was re-elected as Argentina's president, the Argentine government adopted policies that made it more difficult for Argentine enterprises to freely purchase U.S. dollars and remit U.S. dollars abroad. However, since salaries and capital expenditures were paid in Argentine pesos, there was limited free cash-flow generated in Argentina. Most foreign exchange restrictions and restrictions on transfer of funds into and out of Argentina that had been enacted since 2011 were lifted by the Macri administration in December 2015, May 2016, August 2016 and December 2016, reestablishing Argentine residents' rights to purchase and remit outside of Argentina foreign currency with no maximum amount and without specific allocation or prior approval. In particular, Communication "A" 6137, issued by the Argentine Central Bank on December 30, 2016, eliminated the requirement to repatriate and exchange funds obtained from the export of services into Argentine pesos through the FX Market. Consequently, we are not required to repatriate or exchange the foreign currency proceeds received from services rendered to non-Argentine residents outside of Argentina (which are proceeds from our exports held in off-shore accounts, such as the collections of services fees in U.S. dollars).

A small percentage of our trade receivables is generated from net revenues earned in non-U.S. dollar currencies (primarily Euros, British pounds sterling, the Mexican peso, the Uruguayan peso, the Colombian peso and the Argentine peso).

Our results of operations can be affected if the Argentine peso, Colombian peso, Uruguayan peso, Mexican peso, Euros or British pound appreciate or depreciate against the U.S. dollar.

A 30% depreciation of the Argentine peso against the U.S. dollar would have resulted in a \$29.4 million decrease in our operating costs. Given that we have a greater amount of Argentine peso-denominated assets than Argentine peso-denominated liabilities, a 30.0% depreciation of the Argentine peso against the U.S. dollar would have resulted in a \$0.3 million loss. As a result, the combined effect on our income statement would have been a \$29.7 million increase in our net income for the year ended December 31, 2017.

A 30% appreciation of the Argentine peso against the U.S. dollar would have resulted in a \$38.2 million increase in our operating costs. Given that we have a greater amount of Argentine peso-denominated assets than Argentine peso-denominated liabilities, a 30% appreciation of the Argentine peso against the U.S. dollar would have resulted in a \$0.3 million gain. As a result, the combined effect on our income statement would have been a \$38.6 million decrease in our net income for the year ended December 31, 2017.

We periodically evaluate the need for hedging strategies with our board of directors, including the use of such instruments to mitigate the effect of foreign exchange rate fluctuations. During the year ended December 31, 2017, our principal Argentine operating subsidiaries, Sistemas Globales S.A. and IAFH Global S.A., entered into foreign exchange forward contracts to reduce their risk of exposure to fluctuations in foreign currency. As of December 31, 2017 and 2016, the foreign exchange forward contracts were recognized, according to IAS 39, as financial assets at fair value through profit or loss. We may in the future, as circumstances warrant, decide to enter into derivative transactions to reduce our exposure to appreciation or depreciation in the value of certain foreign currencies.

Wage Inflation Risk

Argentina has experienced significant levels of inflation in recent years. According to the INDEC, the consumer price index increased 10.9% in 2013, 21.7% in 2014 and 23.9% in 2015. Inflation data released by the INDEC has been criticized by economists and investors as understating inflation in Argentina. In November 2015, the INDEC suspended the publication of the CPI. According to the most recent publicly available information based on data from the Province of San Luis, the CPI grew by 31.6% in 2015 and 31.4% in 2016. According to the most recent publicly available information based on data from the City of Buenos Aires, the CPI grew by 26.9% in 2015 and 41.0% in 2016. After implementing certain methodological reforms and adjusting certain macroeconomic statistics based of these reforms, in June 2016 the INDEC resumed its publication of the CPI. According to the INDEC, Argentina's rate of inflation for May, June, July, August, September, October, November and December 2016 was 4.2%, 3.2%, 2.2%, 0.2%, 1.3%, 2.6%, 1.8% and 1.4%, respectively, and 24.8% in 2017, based on the CPI. See "Key Information — Risk Factors — Risks Related to Operating in Latin America and Argentina — Argentina — Our results of operations may be adversely affected by high and possibly increasing inflation in Argentina." and "Key Information — Risk Factors — Risks Related to Operating in Latin America and Argentina — Argentina — The credibility of several Argentine economic indexes has been called into question, which may lead to a lack of confidence in the Argentine economy and may in turn limit our ability to access the credit and capital markets." The impact of inflation on our salary costs, or wage inflation, and thus on our statement of profit or loss and other comprehensive income varies depending on the fluctuation in exchange rates between the Argentine peso and the U.S. dollar. In an environment where the Argentine peso is weakening against the U.S. dollar, the impact of wage inflation will be partially offset, whereas in an environment where the Argentine peso is strengthening against the U.S. dollar, the impact of wage inflation will be increased. As of December 2017, approximately 38.7% of our employees were based in Argentina, where wages can be influenced by current inflation rates. Assuming a constant exchange rate and no ability to increase prices, for every 10.0% increase in wage inflation in Argentina we would experience an estimated decrease of approximately \$6.8 million in net income for the year.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES.

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Not applicable.

PART II.

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES.

Not applicable.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS.

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

a) Disclosure Controls and Procedures

As of December 31, 2017, our management, with the participation of the Chief Executive Officer and Chief Financial Officer, conducted an evaluation pursuant to Rule 13a-15 promulgated under the Securities Exchange Act of 1934, of the effectiveness of our disclosure controls and procedures. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

Based on such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that Company's disclosure controls and procedures were effective as of December 31, 2017.

b) Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is a process designed under the supervision of our Chief Executive Officer and Chief Financial Officer that: (i) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets; (ii) provides reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements for external reporting in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorization of our management and directors; and (iii) provides reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedure may deteriorate. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has assessed the effectiveness of our internal control over financial reporting as of December 31, 2017. In making this assessment, our management used the criteria established in "Internal Control — Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). As a result of this assessment, our management has determined that our internal control over financial reporting was effective as of December 31, 2017.

Our management has excluded Ratio Cypress LLC and Point Source LLC, which were acquired on February 28, 2017, and June 1, 2017, respectively, from its assessment of internal control over financial reporting as of December 31, 2017. In aggregate, the financial statements of each of the aforementioned entities constitute 3% of our total consolidated assets and 4% of related consolidated revenues for the year ended December 31, 2017.

c) Attestation Report of the Registered Public Accounting Firm

The effectiveness of our internal control over financial reporting as of December 31, 2017 has been audited by Deloitte & Co. S.A., an independent registered public accounting firm, as stated in their report which is included below:



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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Globant S.A.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Globant S.A. and subsidiaries (the “Company”) as of December 31, 2017, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control - Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2017, of the Company and our report dated April 3, 2018 expressed an unqualified opinion on those financial statements.

As described in *Management’s Annual Report on Internal Control over Financial Reporting*, management excluded from its assessment the internal control over financial reporting at Ratio Cypress LLC and Point Source LLC, which were acquired on February 28, 2017 and June 1, 2017, respectively and whose financial statements constitute in aggregate 3% and 4% of net total assets revenues, respectively of the consolidated financial statement amounts as of and for the year ended December 31, 2017. Accordingly, our audit did not include the internal control over financial reporting at Ratio Cypress LLC and Point Source LLC.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management’s Annual Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards ("IFRS"). A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Co. S.A.

Autonomous City of Buenos Aires, Argentina

April 3, 2018

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

Deloitte Touche Tomatsu Limited is a private Company limited by guarantee incorporated in England & Wales under Company number 07271800, and its registered office is Hill House, 1 Little new Street, London, EC4a, 3TR, United Kingdom.

d) Changes in internal control over financial reporting

As required by Rule 13a-15(d), under the Securities Exchange Act of 1934, as amended, our management, including our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of our internal control over financial reporting to determine whether any change occurred during the period covered since the last annual report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. Based on this evaluation, it has been determined that there has been no change during the period covered by this annual report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT.

See “Directors, Senior Management and Employees—Board Practices—Board Committees—Audit Committee.” Our Board of Directors has determined that Mario Vázquez qualifies as an “audit committee financial expert” under applicable SEC rules.

ITEM 16B. CODE OF ETHICS.

Effective as of July 23, 2014, we adopted a code of business conduct and ethics which sets the guidelines and principles necessary for promoting and assuring good behavior within the organization. A copy of that code is available on our website at investors.globant.com/code-of-ethics. Any amendments to such code will be disclosed on our website.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

The following table provides information on the aggregate fees billed by our principal accountants, Deloitte & Co. S.A. and affiliates, classified by type of service rendered for the periods indicated, in thousands of dollars:

	2017	2016
	(\$ in thousands)	
Audit Fees ⁽¹⁾	928	932
Audit Related Fees ⁽²⁾	6	86
Tax Fees ⁽³⁾	—	30
Others ⁽⁴⁾	19	13
Total	953	1,061

(1) "Audit Fees" includes fees billed for professional services rendered by the principal accountant in connection with the audit of the annual financial statements, certain procedures regarding our quarterly financial results, services in connection with statutory and regulatory filings.

(2) "Audit Related Fees" includes fees billed for professional services rendered by the principal accountant and not included under the prior category. These services include, among others, due diligence related to mergers and acquisitions and internal control reviews.

(3) "Tax Fees" includes fees billed for services related to transfer pricing and assistance with assessing compliance with tax regulations.

(4) "Others" includes other fees billed that do not apply to the other type of classifications included above.

Audit Committee Approval Policies and Procedure

In accordance with the audit committee's charter, all fees and retention terms relating to audit and non-audit services performed by our independent auditors must be pre-approved by the audit committee. The audit committee makes annual recommendations to the general meeting of shareholders of the company regarding the appointment, replacement, base compensation, evaluation and oversight of the work of the independent auditors to be retained to audit the annual financial statements of the company and review the quarterly financial statements of the company.

The audit committee oversees the relationship with the independent auditors, including discussing with the auditors the planning and staffing of the audit and the nature and rigor of the audit process, receiving and reviewing audit reports, reviewing with the auditors any problems or difficulties the auditors may have encountered in carrying out their responsibilities and any board of directors' letters provided by the auditors and the company's response to such letters, and providing the auditors full access to the audit committee and the board of directors to report on all appropriate matters.

The audit committee provides oversight of the company's auditing, accounting and financial reporting principles, policies, controls, procedures and practices, and reviews significant changes to the foregoing as suggested by the independent auditors, internal auditors or the board of directors.

The audit committee approved all of the services described above and determined that the provision of such services is compatible with maintaining the independence of Deloitte & Co. S.A. and affiliates.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES.

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT.

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE.

Corporate Governance Practices

Our corporate governance practices are governed by Luxembourg law (particularly the law of August 10th, 1915 on commercial companies as amended) and our articles of association.

The Ten Principles of Corporate Governance of the Luxembourg Stock Exchange (the "Ten Principles") include: (1) mandatory principles, (2) "comply or explain" recommendations and (3) non-binding guidelines. As of the date of this Annual Report, we comply with the mandatory principles in all respects. In certain instances, we have elected to not comply with certain of the recommendations because we comply with similar corporate governance rules of the NYSE as further set out in the following paragraphs, or, other procedures which we have determined to be sufficient.

As a Luxembourg company listed on the NYSE, we are not required to comply with all of the corporate governance listing standards of the NYSE for U.S. listed companies. We, however, believe that our corporate governance practices meet or exceed, in all material respects, the corporate governance standards that are generally required by the NYSE for U.S. listed companies. Below is a summary of the significant ways that our corporate governance practices differ from the corporate governance standards required for listed U.S. companies by the NYSE (provided that our corporate governance practices may differ in non-material ways from the standards required by the NYSE that are not detailed here)

Majority of Independent Directors

Under NYSE standards, U.S. listed companies must have a majority of independent directors. There is no legal obligation under Luxembourg law to have a majority of independent directors on the board of directors; however, the Ten Principles recommend that the board of directors includes an appropriate number of independent directors.

Non-management Directors' Meetings

Under NYSE standards, non-management directors must meet at regularly scheduled executive sessions without management present and, if such group includes directors who are not independent, a meeting should be scheduled once per year including only independent directors. Luxembourg law does not require holding of such meetings. For additional information, see "Directors, Senior Management and Employees—Directors and Senior Management."

Audit Committee

Under NYSE standards, listed U.S. companies are required to have an audit committee composed of independent directors that satisfies the requirements of Rule 10A-3 promulgated under the Exchange Act of 1934. Luxembourg law also provides for an audit committee and related rules. Our articles of association provide that the board of directors may set up an audit committee. The board of directors has set up an Audit Committee and has appointed Messrs. Mott, Odeen and Vázquez, with Mr. Vázquez serving as the chairman of our audit committee. Each of Messrs. Mott, Odeen and Vázquez satisfies the “independence” requirements within the meaning of Section 303A of the corporate governance rules of the NYSE as well as under Rule 10A-3 under the Exchange Act. For additional information, see “Directors, Senior Management and Employees—Board Practices”.

Under NYSE standards, all audit committee members of listed U.S. companies are required to be financially literate or must acquire such financial knowledge within a reasonable period and at least one of its members shall have experience in accounting or financial administration. In addition, if a member of the audit committee is simultaneously a member of the audit committee of more than three public companies, and the listed company does not limit the number of audit committees on which its members may serve, then in each case the board must determine whether the simultaneous service would prevent such member from effectively serving on the listed company’s audit committee and shall publicly disclose its decision. Under Luxembourg law, at least one member of the audit committee must be financially literate and the committee members as a whole shall have competence relevant to the sector in which the company is operating.

Standards for Evaluating Director Independence

Under NYSE standards, the board is required, on a case by case basis, to express an opinion with regard to the independence or lack of independence of each individual director. Neither Luxembourg law nor our articles of association require the board to express such an opinion; however, to be considered independent under the so called “Ten Principles” of the Luxembourg Stock Exchange, a director must not be or have been in the previous five years, an executive or managing director or an employee; not receive, or have received, significant additional remuneration from the company or an associated company apart from a fee received as non-executive or supervisory director (including share option or any other performance-related pay scheme), must not be, or have been within the last three years, a partner or employee of the present or former external auditor of the company or an associated company, nor have any significant business relationship with the company, close family relationship with any executive manager or any other relationship with the company, its controlling shareholders or executive managers which is liable to impair the independence of the director’s judgment. Finally, to be considered independent under the Ten Principles, a director must not have served on the board as a non-executive director for more than 12 years.

Audit Committee Responsibilities

The NYSE requires certain matters to be set forth in the audit committee charter of U.S. listed companies. Our audit committee charter provides for many of the responsibilities that are expected from such bodies under the NYSE standard; however, the charter does not contain all such responsibilities, including provisions related to setting hiring policies for employees or former employees of independent auditors.

Corporate Governance and Nominating Committee

The NYSE requires that a listed U.S. company has a corporate governance and nominating committee of independent directors and a committee charter specifying the purpose, duties and evaluation procedures of the committee.

The board of directors has set up corporate governance and nominating committee and has appointed Messrs. Galperin, Odeen and Vázquez, with Mr. Vázquez serving as chairman of our corporate governance and nominating committee. Each of Messrs. Galperin, Vázquez and Odeen satisfies the “independence” requirements within the meaning of Section 303A of the corporate governance rules of the NYSE. For additional information, see “Directors, Senior Management and Employees— Board Practices”.

Compensation Committee

The NYSE requires that a listed U.S. company have a compensation committee of independent directors and a committee charter specifying the purpose, duties and evaluation procedures of the committee.

The current members of our compensation committee are Messrs. Vázquez, Odeen and Galperin, with Mr. Vázquez serving as chairman. Each of Messrs. Vázquez, Odeen and Galperin satisfies the “independence” requirements within the meaning of Section 303A of the corporate governance rules of the NYSE. For additional information, see “Directors, Senior Management and Employees—Board Practices”.

Shareholder Voting on Equity Compensation Plans

Under NYSE standards, shareholders of U.S. listed companies must be given the opportunity to vote on equity compensation plans and material revisions thereto, except for employment inducement awards, certain grants, plans and amendments in the context of mergers and acquisitions, and certain specific types of plans. Neither Luxembourg corporate law nor our articles of incorporation require shareholder approval of equity based compensation plans. Luxembourg law only requires approval of the board of directors for the adoption of equity based compensation plans.

The Ten Principles recommend that the criteria for compensation of the executive management in whichever form be subject to the approval of the shareholders. However, as permitted by the Ten Principles, we have decided that the approval of our compensation committee, which is comprised of independent members, is sufficient to set the compensation criteria for our executive management team and that it is not necessary to seek approval from our shareholders for such matters. We believe that the members of our compensation committee have a strong understanding of the achievements and failures of each executive because the compensation committee monitors the performance of executive management as part of the responsibilities delegated to it by our board of directors and shareholders.

Code of Business Conduct and Ethics

Under NYSE standards, listed companies must adopt and disclose a code of business conduct and ethics for directors, officers and employees, and promptly disclose any waivers of the code for directors or executive officers. Effective as of July 23, 2014 we adopted a code of business conduct and ethics applicable to our principal executive, financial and accounting officers and all persons performing similar functions. A copy of that code is available on our website at www.globant.com.

Chief Executive Officer Certification

A chief executive officer of a U.S. company listed on NYSE must annually certify that he or she is not aware of any violation by the company of NYSE corporate governance standards. In accordance with NYSE rules applicable to foreign private issuers, our chief executive officer is not required to provide NYSE with this annual compliance certification. However, in accordance with NYSE rules applicable to all listed companies, our chief executive officer must promptly notify NYSE in writing after any of our executive officers becomes aware of any noncompliance with any applicable provision of NYSE's corporate governance standards. In addition, we must submit an executed written affirmation annually and an interim written affirmation each time a change occurs to the board or the audit committee.

ITEM 16H. MINE SAFETY DISCLOSURE.

Not applicable.

PART III.

ITEM 17. FINANCIAL STATEMENTS.

We have elected to provide financial statements pursuant to Item 18.

ITEM 18. FINANCIAL STATEMENTS.

Our Consolidated Financial Statements are included at the end of this annual report.

ITEM 19. EXHIBITS.

The following exhibits are filed or incorporated by reference as part of this annual report:

Exhibit No.	Description
1.1	Form of Articles of Association; incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form F-1 (SEC File No. 333-190841)
2.1	Form of Registration Rights Agreement; incorporated by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form F-1 (SEC File No. 333-190841)
4.1	Lease, dated May 31, 2010, by and between Laminar S.A. de Inversiones Inmobiliarias and Sistemas Globales S.A.; incorporated by reference to Exhibit 10.3 to the Registrant's Registration Statement on Form F-1 (SEC File No. 333-190841)
4.2	Globant S.A. 2014 Equity Incentive Plan; incorporated by reference to Exhibit 10.4 to the Registrant's Registration Statement on Form F-1 (SEC File No. 333-190841)
4.3	Amendment No. 1 to the Globant S.A. 2014 Equity Incentive Plan; incorporated by reference to Exhibit 99.2 to the Registrant's Registration Statement on Form S-8 (SEC File No. 333-211835)
4.4	Form of Nonstatutory Stock Option Notice; incorporated by reference to Exhibit 10.5 to the Registrant's Registration Statement on Form F-1 (SEC File No. 333-190841)
4.5	Form of Nonstatutory Stock Option Notice — International; incorporated by reference to Exhibit 10.6 to the Registrant's Registration Statement on Form F-1 (SEC File No. 333-190841)
4.6	Equityholders Additional Agreement, dated May 7, 2012, by and among Paldwick S.A., Martín Migoya, Martín Gonzalo Umaran, Néstor Augusto Nocetti, Guibert Andrés Englebienne, Riverwood Capital LLC, RW Holdings S.à. r.l., ITO Holdings S.à. r.l., Endeavor Global, Inc. and IT Outsourcing S.L.; incorporated by reference to Exhibit 10.7 to the Registrant's Registration Statement on Form F-1 (SEC File No. 333-190841)
4.7	Credit Agreement, dated August 3, 2017, by and among Globant, LLC, as borrower, certain financial institutions party thereto, as lenders, and HSBC Bank USA, N.A., as administrative agent
4.8	Guaranty, dated August 3, 2017, made by Globant S.A. (Luxembourg) in favor of HSBC Bank USA, N.A., as administrative agent
4.9	Guaranty, dated August 3, 2017, made by Globant, S.A. (Spain) in favor of HSBC Bank USA, N.A., as administrative agent
4.10	Security Agreement, dated August 3, 2017, by and between Globant, LLC, as grantor, and HSBC Bank USA, N.A., as administrative agent
8.1	List of Subsidiaries
12.1	Certification of Martín Migoya, Chief Executive Officer of Globant S.A., pursuant to Section 302 of the Sarbanes Oxley Act of 2002
12.2	Certification of Alejandro Scannapieco, Chief Financial Officer of Globant, S.A., pursuant to Section 302 of the Sarbanes Oxley Act of 2002
13.1	Certification of Martín Migoya, Chief Executive Officer of Globant S.A. pursuant to Section 906 of the Sarbanes Oxley Act of 2002
13.2	Certification of Alejandro Scannapieco, Chief Financial Officer of Globant, S.A., pursuant to Section 906 of the Sarbanes Oxley Act of 2002
15.1	Consent of Deloitte & Co. S.A.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Date: April 13, 2018

GLOBANT S.A.

By: /s/ Alejandro Scannapieco

Name: Alejandro Scannapieco

Title: Chief Financial Officer

GLOBANT S.A.
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Globant S.A.

Consolidated Financial Statements as of December 31, 2017 and 2016 and
for each of the three years in the period ended December 31, 2017



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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Globant S.A.

Opinion on the Financial Statements

We have audited the accompanying consolidated statement of financial position of Globant S.A. and subsidiaries (the "Company") as of December 31, 2017 and 2016, the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows, for each of the three years in the period ended December 31, 2017, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2017, in conformity with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated April 3, 2018 expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Co. S.A.

Autonomous City of Buenos Aires, Argentina

April 3, 2018

We have served as the Company's auditor since 2009.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

Deloitte Touche Tomatsu Limited is a private Company limited by guarantee incorporated in England & Wales under Company number 07271800, and its registered office is Hill House, 1 Little new Street, London, EC4a, 3TR, United Kingdom.

GLOBANT S.A.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015

(in thousands of U.S. dollars, except per share amounts)

	Notes	For the year ended December 31,		
		2017	2016	2015
Revenues ⁽¹⁾		413,439	322,856	253,796
Cost of revenues ^{(2) (4)}	5.1	(263,171)	(191,395)	(160,292)
Gross profit		150,268	131,461	93,504
Selling, general and administrative expenses ^{(3) (4)}	5.2	(110,808)	(81,889)	(71,594)
Other operating (expenses) income, net ⁽⁵⁾		(6,294)	—	1,820
Profit from operations		33,166	49,572	23,730
Gain on transactions with bonds	3.17	—	—	19,102
Finance income	6	7,956	16,215	27,555
Finance expense	6	(11,036)	(19,227)	(20,952)
Finance (expense) income, net		(3,080)	(3,012)	6,603
Other income and expenses, net ⁽⁶⁾		8,458	3,629	605
Profit before income tax		38,544	50,189	50,040
Income tax	7.1	(8,081)	(14,327)	(18,420)
Net income for the year		30,463	35,862	31,620
Other comprehensive income (loss)				
Items that may be reclassified subsequently to profit and loss:				
- Exchange differences on translating foreign operations		(265)	1,103	(1,353)
- Net fair value (loss) gain on available-for-sale financial assets		(27)	(52)	52
Total comprehensive income for the year		30,171	36,913	30,319
Net income attributable to:				
Owners of the Company		30,539	35,876	31,653
Non-controlling interest		(76)	(14)	(33)
Net income for the year		30,463	35,862	31,620
Total comprehensive income for the year attributable to:				
Owners of the Company		30,247	36,927	30,352
Non-controlling interest		(76)	(14)	(33)
Total comprehensive income for the year		30,171	36,913	30,319

GLOBANT S.A.

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015**

(in thousands of U.S. dollars, except per share amounts)

	Notes	For the year ended December 31,		
		2017	2016	2015
Earnings per share				
Basic	8	0.87	1.04	0.93
Diluted	8	0.84	1.01	0.90
Weighted average of outstanding shares (in thousands)				
Basic	8	34,919	34,402	33,960
Diluted	8	36,094	35,413	35,013

- (1) Includes transactions with related parties for 5,590, 6,462 and 6,655 for 2017, 2016 and 2015, respectively. See note 21.1.
- (2) Includes depreciation and amortization expense of 4,339, 4,281 and 4,441 for 2017, 2016 and 2015, respectively. See note 5.1.
- (3) Includes depreciation and amortization expense of 11,789, 6,637 and 4,860 for 2017, 2016 and 2015, respectively. See note 5.2.
- (4) Includes share-based compensation expense of 5,666, 917 and 735 under cost of revenues; and 8,798, 2,703 and 1,647 under selling, general and administrative expenses for 2017, 2016 and 2015, respectively. See note 5.
- (5) Includes an impairment of tax credits of 1,586 for 2017 (see note 4.11) and a recovery of 1,820 for 2015 related to a reversal of the allowance of impairment of tax credits (see note 3.7.1.1). In 2017 includes an impairment of intangibles assets of 4,708 (note 4.12).
- (6) Includes as of December 31, 2017 and 2016 a gain of 6,735 and 418 on remeasurement of the contingent consideration of Clarice, L4, and WAE explained in note 27.10.1 and the gain of 1,727 and 2,981 related to the remeasurement at fair value of the call and put option over non-controlling interest explained in note 27.10.2. In 2016 includes the gain of 225 related to the bargain business combination of Difier S.A. explained in note 23. In 2015 includes a gain of 625 related to valuation at fair value of the 22.7% of share interest held in Dynaflows as explained in note 23.

The accompanying notes 1 to 32 are an integral part of these consolidated financial statements

GLOBANT S.A.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2017 AND 2016
(in thousands of U.S. dollars)

	Notes	As of December 31,	
		2017	2016
ASSETS			
Current assets			
Cash and cash equivalents		52,525	50,532
Investments	9.1	8,147	9,355
Trade receivables ⁽¹⁾	10	80,078	54,170
Other receivables	11	14,357	18,869
Other financial assets ⁽²⁾		873	900
Total current assets		<u>155,980</u>	<u>133,826</u>
Non-current assets			
Other receivables	11	31,736	27,465
Deferred tax assets	7.2	13,186	7,691
Investment in associates	9.2	1,550	800
Other financial assets ⁽³⁾		555	319
Property and equipment	12	43,879	35,676
Intangible assets	13	11,365	13,791
Goodwill	14	98,926	65,180
Total non-current assets		<u>201,197</u>	<u>150,922</u>
TOTAL ASSETS		<u>357,177</u>	<u>284,748</u>
LIABILITIES			
Current liabilities			
Trade payables	15	11,640	5,603
Payroll and social security taxes payable	16	40,472	30,328
Borrowings	17	6,011	217
Other financial liabilities	23	10,664	12,602
Tax liabilities	18	5,253	6,249
Other liabilities		20	—
Total current liabilities		<u>74,060</u>	<u>54,999</u>
Non-current liabilities			
Other financial liabilities	23	18,574	19,224
Other liabilities		—	20
Provisions for contingencies	19	1,179	1,945
Total non-current liabilities		<u>19,753</u>	<u>21,189</u>
TOTAL LIABILITIES		<u>93,813</u>	<u>76,188</u>
Capital and reserves			
Issued capital		42,271	41,576
Additional paid-in capital		86,728	62,790
Other reserves		(1,253)	(961)
Retained earnings		135,658	105,119
Total equity attributable to owners of the Company		<u>263,404</u>	<u>208,524</u>
Non-controlling interests		(40)	36
Total equity		<u>263,364</u>	<u>208,560</u>
TOTAL EQUITY AND LIABILITIES		<u>357,177</u>	<u>284,748</u>

(1) Includes balances due from related parties of 463 and 575 as of December 31, 2017 and 2016, respectively. See note 21.1.

(2) Includes the fair value of foreign exchange forward contracts of 73 as of December 31, 2017 (note 27.10.3) and a financial asset related to the acquisition of Clarice of 800 and 900 as of December 31, 2017 and 2016, respectively (note 23).

(3) Includes the fair value of convertible notes of 100 (note 21.2), and the fair value of the call option on minority interest of 455 and 319 as of December 31, 2017 and 2016, respectively (note 23).

The accompanying notes 1 to 32 are an integral part of these consolidated financial statements

GLOBANT S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015

(in thousands of U.S. dollars except number of shares issued)

	Number of Shares Issued	Issued capital	Additional paid-in capital	Retained earnings	Foreign currency translation reserve	Investment revaluation reserve	Attributable to owners of the Parent	Non- controlling interests	Total
Balance at January 1, 2015	33,603,900	40,324	50,276	37,590	(711)	—	127,479	—	127,479
Issuance of shares under share-based compensation plan (see note 29.1)	560,649	673	1,878	—	—	—	2,551	—	2,551
Issuance of shares under subscription agreement (see note 29.1)	43,857	53	847	—	—	—	900	—	900
Share-based compensation plan (see note 22)	—	—	5,903	—	—	—	5,903	—	5,903
Other comprehensive (loss) income for the year	—	—	—	—	(1,353)	52	(1,301)	—	(1,301)
Acquisition of non-controlling interest (see note 23)	—	—	—	—	—	—	—	83	83
Call and put option over non-controlling interest (see note 23)	—	—	(7,050)	—	—	—	(7,050)	—	(7,050)
Net income for the year	—	—	—	31,653	—	—	31,653	(33)	31,620
Balance at December 31, 2015	34,208,406	41,050	51,854	69,243	(2,064)	52	160,135	50	160,185

	Number of Shares Issued	Issued capital	Additional paid-in capital	Retained earnings	Foreign currency translation reserve	Investment revaluation reserve	Attributable to owners of the Parent	Non- controlling interests	Total
Issuance of shares under share-based compensation plan (see note 29.1)	258,915	311	1,867	—	—	—	2,178	—	2,178
Issuance of shares for payments of Huddle minority interest (note 29.1)	11,213	13	292	—	—	—	305	—	305
Issuance of shares under subscription agreement (see note 29.1)	169,109	202	6,218	—	—	—	6,420	—	6,420
Share-based compensation plan (see note 22)	—	—	2,559	—	—	—	2,559	—	2,559
Other comprehensive income (loss) for the year	—	—	—	—	1,103	(52)	1,051	—	1,051
Net income for the year	—	—	—	35,876	—	—	35,876	(14)	35,862
Balance at December 31, 2016	34,647,643	41,576	62,790	105,119	(961)	—	208,524	36	208,560

GLOBANT S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015

(in thousands of U.S. dollars except number of shares issued)

	Number of Shares Issued	Issued capital	Additional paid-in capital	Retained earnings	Foreign currency translation reserve	Investment revaluation reserve	Attributable to owners of the Parent	Non- controlling interests	Total
Balance at January 1, 2017	34,647,643	41,576	62,790	105,119	(961)	—	208,524	36	208,560
Issuance of shares under share-based compensation plan (see note 29.1)	425,640	511	7,926	—	—	—	8,437	—	8,437
Issuance of shares under subscription agreement (see note 29.1)	153,481	184	5,511	—	—	—	5,695	—	5,695
Share-based compensation plan (see note 22)	—	—	10,501	—	—	—	10,501	—	10,501
Other comprehensive income for the year	—	—	—	—	(265)	(27)	(292)	—	(292)
Net income for the year	—	—	—	30,539	—	—	30,539	(76)	30,463
Balance at December 31, 2017	35,226,764	42,271	86,728	135,658	(1,226)	(27)	263,404	(40)	263,364

The accompanying notes 1 to 32 are an integral part of these consolidated financial statements.

GLOBANT S.A.
CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015

(in thousands of U.S. dollars)

	For the year ended December 31,		
	2017	2016	2015
Cash flows from operating activities			
Net income for the year	30,463	35,862	31,620
Adjustments to reconcile net income for the year to net cash flows from operating activities:			
Share-based compensation expense (note 22)	12,865	3,620	2,382
Current income tax (note 7.1)	14,053	15,057	19,522
Deferred income tax (note 7.1)	(5,972)	(730)	(1,102)
Depreciation of property and equipment	9,053	6,290	5,872
Amortization of intangible assets	7,075	4,628	3,429
Impairment of intangible assets (note 4.12)	4,708	—	—
Allowance for doubtful accounts (note 5.2)	(5)	928	205
Allowance for claims and lawsuits (note 19)	527	999	237
Gain on remeasurement of contingent consideration (note 27.10.1)	(6,735)	(418)	—
Gain from bargain business combination (note 23)	—	(225)	(625)
Gain on remeasurement of valuation of call and put option over non-controlling interest (note 27.10.2)	(1,726)	(2,981)	—
Accrued interest	404	757	880
Allowance for impairment of tax credits, net of recoveries ⁽⁴⁾	1,586	—	(1,820)
Gain on transactions with bonds (note 3.17)	—	—	(19,102)
Net gain arising on financial assets classified held-for-trading (note 6)	(303)	(653)	(13,453)
Net gain arising on financial assets classified held-to-maturity (note 6)	—	—	(4,941)
Net gain arising on financial assets classified as available for sale (note 6)	(240)	(6,325)	—
Exchange differences	2,645	5,959	10,136
Changes in working capital:			
Net increase in trade receivables	(25,599)	(5,847)	(6,525)
Net decrease (increase) in other receivables	1,240	(17,067)	(32,121)
Net increase (decrease) in trade payables	4,341	(1,219)	1,386
Net increase in payroll and social security taxes payable	7,576	3,316	6,850
Net (decrease) increase in tax liabilities	(700)	(1,846)	2,752
Net decrease in other liabilities	—	(9)	(237)
Utilization of provision for contingencies (note 19)	(1,320)	(400)	(91)
Cash provided by operating activities	53,936	39,696	5,254
Income tax paid	(11,383)	(8,216)	(10,569)
Proceeds received from reimbursement of income tax	436	—	—
Net cash provided by (used in) operating activities	42,989	31,480	(5,315)
Cash flows from investing activities			
Acquisition of property and equipment ⁽²⁾	(19,605)	(17,660)	(13,595)
Proceeds from disposals of property and equipment	468	50	88
Acquisition of intangible assets ⁽³⁾	(8,447)	(6,374)	(4,222)
(Payments) proceeds related to forward contracts	(579)	(1,126)	7,152
Acquisition of held-for-trading investments	(137,788)	(220,391)	(122,087)
Proceeds from held-for-trading investments	140,144	222,759	128,822
Acquisition of held-to-maturity investments	—	—	(96,601)
Proceeds from held-to-maturity investments	—	—	98,156
Acquisition of available-for-sale investments	(13,824)	(201,931)	—
Proceeds from available-for-sale investments	13,176	219,924	—
Payments to acquire investments in associates	(469)	(500)	—
Acquisition of bonds	—	—	(46,788)
Proceeds from sale of bonds	—	—	65,890
Acquisition of business, net of cash (note 23) ⁽¹⁾	(19,149)	(16,584)	(10,569)
Seller financing	(11,461)	(6,166)	(715)
Net cash (used in) provided by investing activities	(57,534)	(27,999)	5,531

GLOBANT S.A.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015

(in thousands of U.S. dollars)

	For the year ended December 31,		
	2017	2016	2015
Cash flows from financing activities			
Proceeds from the issuance of shares under the share-based compensation plan (note 29.1)	5,296	1,863	2,236
Proceeds from subscription agreement (note 29.1)	5,695	6,420	900
Repayment of borrowings (note 25)	(16,198)	(543)	(505)
Proceeds from borrowings (note 25)	22,000	—	—
Convertible notes (note 21.2)	(100)	—	—
Cash provided by financing activities	16,693	7,740	2,631
Interest paid (note 25)	(95)	(41)	(633)
Net cash provided by financing activities	16,598	7,699	1,998
Effect of exchange rate changes on cash and cash equivalents	(60)	2,632	311
Increase in cash and cash equivalents	1,993	13,812	2,525
Cash and cash equivalents at beginning of the year	50,532	36,720	34,195
Cash and cash equivalents at end of the year	52,525	50,532	36,720

(1) Cash paid for assets acquired and liabilities assumed in the acquisition of subsidiaries (note 23):

Supplemental information			
Cash paid	21,300	19,525	10,726
Less: cash and cash equivalents acquired	(2,151)	(2,941)	(157)
Total consideration paid net of cash and cash equivalents acquired	19,149	16,584	10,569

(2) In 2017, 2016 and 2015, there were 1,264, 478 and 26 of acquisition of property and equipment financed with trade payables, respectively. In 2017, 2016 and 2015, the Company paid 478, 26 and 1,207 related to property and equipment acquired in 2016, 2015 and 2014, respectively. Finally, in 2017 and 2016 included 2,861 and 2,198 of advances paid.

(3) In 2017, 2016 and 2015 there were 344, 7 and 439 of acquisition of intangibles financed with trade payables, respectively. In 2017, 2016 and 2015, the Company paid 7, 439 and 216 related to intangibles acquired in 2016, 2015 and 2014, respectively.

(4) Includes an impairment of tax credits of 1,586 for 2017 (see note 4.11) and a recovery of 1,820 for 2015 related to a reversal of the allowance of impairment of tax credits (see note 3.7.1.1).

The accompanying notes 1 to 32 are an integral part of these consolidated financial statements

GLOBANT S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2017 and 2016 and for the three years in the period ended December 31, 2017

(amounts are expressed in thousands of U.S. dollars, except where expressly indicated that amounts are stated in thousands of other currencies)

NOTE 1 – COMPANY OVERVIEW AND BASIS OF PRESENTATION

Globant S.A. is a company organized in the Grand Duchy of Luxembourg, primarily engaged in building digital journeys that matter to millions of users through its subsidiaries (hereinafter the “Company” or “Globant Lux” or “Globant Group”). The Company specializes in providing innovative software solutions services by leveraging emerging technologies and trends.

The Company's principal operating subsidiaries and countries of incorporation as of December 31, 2017 were the following: Sistemas UK Limited and We are London Limited in the United Kingdom, Globant LLC and L4 Mobile LLC in the United States of America (the “U.S.”), Sistemas Globales S.A., IAFH Global S.A. and Dynaflores S.A. in Argentina, Sistemas Colombia S.A.S. in Colombia, Global Systems Outsourcing S.R.L. de C.V. in Mexico, Sistemas Globales Uruguay S.A. and Difier S.A. in Uruguay, Globant Brasil Consultoria Ltda. in Brazil; Sistemas Globales Chile Asesorías Limitada in Chile, Globant Peru S.A.C. in Peru, Globant India Private Limited in India, PointSource Ltd. in Belarus and Software Product Creation S.L. in Spain.

The Globant Group provides services from development and delivery centers located in United States (San Francisco, New York, Seattle, Raleigh, Chicago and Dallas), Argentina (Buenos Aires, Tandil, Rosario, Tucumán, Córdoba, Resistencia, Bahía Blanca, Mendoza, Mar del Plata and La Plata), Uruguay (Montevideo), Colombia (Bogotá and Medellín), Brazil (São Paulo), Peru (Lima), Chile (Santiago), México (México City), India (Pune and Bangalore), Spain (Madrid) and United Kingdom (London) and it also has client management centers in United States (San Francisco, New York, Boston and Miami), Brazil (São Paulo), Colombia (Bogotá), Uruguay (Montevideo), Argentina (Buenos Aires) and the United Kingdom (London). The Company also has centers of software engineering talent and educational excellence, primarily across Latin America.

Substantially all revenues are generated in the U.S. and United Kingdom through subsidiaries located in those countries. The Company's workforce is mainly located in Latin America and to a lesser extent in India and U.S.

The Company's changed its registered office address since January 30, 2016 from 5 rue Guillaume Kroll, L-1882, Luxembourg to 37A Avenue J.F. Kennedy L-1855, Luxembourg, Luxembourg.

NOTE 2 – BASIS OF PREPARATION OF THESE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These consolidated financial statements are presented in thousands of United States dollars (“U.S. dollars”) and have been prepared under the historical cost convention except as disclosed in the accounting policies below.

2.1 – Application of new and revised International Financial Reporting Standards

- **Adoption of new and revised standards**

The Company has adopted all of the new and revised standards and interpretations issued by the IASB that are relevant to its operations and that are mandatorily effective at December 31, 2017. The application of these amendments has had no material impact on the disclosures or amounts recognized in the Company's consolidated financial statements.

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• **New accounting pronouncements**

The Company has not applied the following new and revised IFRSs that have been issued but are not yet mandatorily effective:

IFRS 9	<i>Financial Instruments</i> ¹
IFRS 15	<i>Revenue from contracts with customer</i> ¹
IFRS 16	<i>Leases</i> ²
IFRIC 22	<i>Foreign Currency Transactions and Advance Consideration</i> ¹
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i> ⁴
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to IFRS 2	<i>Share-based payments</i> ¹
Clarifications to IFRS 15	<i>Revenue from contracts with customer</i> ¹
Amendments to IAS 28	<i>Annual improvements 2014 -2016 Cycle</i> ¹
Amendment to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> ⁴
Amendment to IFRS 9	<i>Prepayment Features with Negative Compensation</i> ⁴
Amendments to IFRS 3 and 11 and IAS 12 and 23	<i>Annual improvements 2015-2017 Cycle</i> ⁵
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement</i> ⁴
Amendments to References to the Conceptual Framework in IFRS Standards	⁵

¹ Effective for annual periods beginning on or after January 1, 2018. Early adoption is permitted.

² Effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted if IFRS 15 has also been applied.

³ Effective date deferred indefinitely.

⁴ Effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted.

⁵ Effective for annual periods beginning on or after January 1, 2019.

- In November 2009, the International Accounting Standards Board (IASB) issued IFRS 9, which introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. On July 24, 2014, the IASB published the final version of IFRS 9 'Financial Instruments'. IFRS 9, as revised in July 2014, introduces a new expected credit loss impairment model. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Also limited changes to the classification and measurement requirements for financial assets by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Based on the analysis of the Company's financial assets and financial liabilities as of December 31, 2017 on the basis of the facts and circumstances that exists at that date, the directors of the Company have performed an assessment of the impact of IFRS 9 to the Company's consolidated financial statements as follows:

- Classification and measurement: all financial assets and financial liabilities will continue to be measured on the same bases as is currently adopted under IAS 39.
- Impairment: the management of the Company does not anticipate that the application of the IFRS 9 Impairment requirements will have a material impact on the Company's consolidated financial statements.
- Hedge accounting: the management of the Company does not anticipate that the application of the IFRS 9 Hedge accounting requirements will have a material impact on the Company's consolidated financial statements.

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It should be noted that the above assessment was made based on an analysis of the Company's financial assets and financial liabilities as of December 31, 2017 on the basis of the facts and circumstances that existed at that date. This new standard is effective for periods beginning on or after January 1, 2018.

- On May 28, 2014 the IASB published its new revenue Standard, IFRS 15 "Revenue from Contracts with Customers". IFRS 15 provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer or promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a five-step approach to revenue recognition:

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contracts
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

On April 12, 2016 the IASB published amendments with clarifications to IFRS 15 'Revenue from Contracts with Customers'. The amendments address the following topics: identifying performance obligations, principal versus agent considerations, and licensing, and provide some transition relief for modified contracts and completed contracts.

Under IFRS 15, an entity recognises revenue when or as performance obligation is satisfied, i.e. when control of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15. The new standard is effective for annual periods beginning on or after January 1, 2018. The standard permits a modified retrospective approach for the adoption. The Company will apply the Standard retrospectively with the cumulative effect recognised at the date of initial application.

The Company performed an assessment on the five-step approach introduced by IFRS 15 considering its revenue streams. The Company has written contracts with each customer where a service is provided. Each contract specified a detail of the performance obligation, the transaction price per each performance obligation identified and how this performance obligation is transferred to the customer.

The Company's services are performed under both time-and-material and fixed-price contracts. For revenues generated under time-and-material contracts, revenues are recognized as services are performed with the corresponding cost of providing those services reflected as cost of revenues when incurred. The majority of such revenues are billed on an hourly, daily or monthly basis whereby actual time is charged directly to the client. The Company's performance obligations are hours performed. The Company has assessed that these performance obligations are satisfied over time and that the method currently used to measure the progress towards complete satisfaction of these performance obligations will continue to be appropriate under IFRS 15.

The Company recognizes revenues from fixed-price contracts based on the percentage of completion method. Under this method, revenue is recognized in the accounting periods in which services are rendered. The Company has assessed that these performance obligations are satisfied over time, applying the input method by recognizing revenue on the basis of the Company's efforts to the satisfaction of the performance obligation relative to the total expected inputs to the satisfaction of the performance obligation. Accordingly, the method currently used to measure the progress towards complete satisfaction of these performance obligations will continue to be appropriate under IFRS 15.

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Apart from providing more extensive disclosures on the Company's revenue transactions, the management of the Company does not anticipate that the application of IFRS 15 will have a significant impact on the financial position and/or financial performance of the Company.

- On January 13, 2016, the IASB issued the IFRS 16 which specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, with the distinction between operating and finance leases removed, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value to be accounted for by simply recognizing an expense, typically straight line, over the lease term. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 supersedes IAS 17 and related interpretations. Furthermore, extensive disclosures are required by IFRS 16. As of December 31, 2017, the Company has non-cancellable operating lease commitments of \$35,033 for office space and office equipment. IAS 17 does not require the recognition of any right-of-use or liability for future payments for these leases; instead, certain information is disclosed as operating lease commitment in note 26. If these arrangements meet the definition of a lease under IFRS 16, the Company will recognize a right-of-use asset and a liability in respect of them unless they qualify of a low value or short-term leases upon the application of IFRS 16. In contrast, for finance leases where the Company is a lessee, the Company will recognize an asset and a related finance lease liability for the lease arrangement. Management are currently assessing its potential impact of the application of IFRS 16. It is not practicable to provide a reasonable estimate of the financial effect on the amounts recognized in the Company's consolidated financial statements until the management complete the review. The standard is effective for annual periods beginning on or after January 1, 2019, with earlier application being permitted if IFRS 15 has also been applied. The Company has not opted for early application.
- On December 8, 2016, the IASB published IFRIC 22, which was developed by the IFRS Interpretations Committee to clarify the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The interpretation is being issued to reduce diversity in practice related to the exchange rate used when an entity reports transactions that are denominated in a foreign currency in accordance with IAS 21 in circumstances in which consideration is received or paid before the related asset, expense, or income is recognized.

The interpretation is effective prospectively for annual periods beginning on or after January 1, 2018. Early adoption is permitted. The management of the Company does not anticipate that the application of this interpretation will have a material impact on the Company's Financial Statements.

- On June 7, 2017, the IASB published IFRIC 23 "Uncertainty over Income Tax Treatments", which was developed by the IFRS Interpretations Committee to clarify the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. The interpretation specifically considers:
 - Whether tax treatments should be considered collectively.
 - Assumptions for taxation authorities' examinations.
 - The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.
 - The effect of changes in facts and circumstances.

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The interpretation is effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted. The Company has not opted for early application. The management of the Company does not anticipate that the application of this interpretation will have any impact on the Company's Financial Statements.

- On September 11, 2014, the IASB issued amendments to IFRS 10 and IAS 28. These amendments clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:
 - require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations);
 - require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognised only to the extent of the unrelated investors' interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in any subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves. On December 17, 2015 the IASB issued an amendment that defers the effective date of the September 2014 amendments to these standards indefinitely until the research project on the equity method has been concluded. Earlier application of the September 2014 amendments continues to be permitted.

- On June 20, 2016, the IASB issued amendments to IFRS 2 (share-based payments). The amendments clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements. The amendments are effective prospectively for annual periods beginning on or after January 1, 2018. Early adoption is permitted.
- On December 8, 2016, the IASB issued amendments to IAS 28 (Investments in associates and joint ventures) as a result of the IASB's annual improvement 2014–2016 project. The amendment clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

The management of the Company does not anticipate that the application of this amendment will have a material impact on the Company's consolidated financial statements. The amendment to IAS 28 is effective for annual periods beginning on or after January 1, 2018. Early adoption is permitted.

- On October 12, 2017 the IASB published the amendment to IAS 28 "Long-term Interests in Associates and Joint Ventures". This amendment clarifies that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

The amendments are to be applied retrospectively but they provide transition requirements similar to those in IFRS 9 for entities that apply the amendments after they first apply IFRS 9. They also include relief from restating prior periods for entities electing, in accordance with IFRS 4 Insurance Contracts, to apply the temporary exemption from IFRS 9. Full retrospective application is permitted if that is possible without the use of hind sight.

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The amendments are effective for periods beginning on or after 1 January 2019. Earlier application is permitted. It is not practicable to provide a reasonable financial estimate of the effect until the management complete a review of the application of the amendment. The Company has not opted for early application.

- On October 12, 2017 the IASB published the amendment to IFRS 9 "Prepayment Features with Negative Compensation". This amendment modifies the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. Under the amendments, the sign of the prepayment amount is not relevant, i. e. depending on the interest rate prevailing at the time of termination, a payment may also be made in favor of the contracting party effecting the early repayment. The calculation of this compensation payment must be the same for both the case of an early repayment penalty and the case of an early repayment gain.

The final amendments also contain (in the Basis for Conclusions) a clarification regarding the accounting for a modification or exchange of a financial liability measured at amortised cost that does not result in the derecognition of the financial liability. The IASB clarifies that an entity recognises any adjustment to the amortised cost of the financial liability arising from a modification or exchange in profit or loss at the date of the modification or exchange. A retrospective change of the accounting treatment may therefore become necessary if in the past the effective interest rate was adjusted and not the amortised cost amount.

The amendments are effective for periods beginning on or after January 1, 2019. Earlier application is permitted. It is not practicable to provide a reasonable financial estimate of the effect until the management complete a review of the application of the amendment. The Company has not opted for early application.

- On December 12, 2017, the IASB issued amendments to the following standards as result of the IASB's annual improvements 2015-2017 project:
 - IFRS 3 (Business combinations): clarifies that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business.
 - IFRS 11 (Joint arrangements): clarifies that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
 - IAS 12 (Income tax): clarifies that all income tax consequences of dividends (i.e. distribution of profits) should be recognised in profit or loss, regardless of how the tax arises.
 - IAS 23 (Borrowing costs): clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

The management of the Company do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements. The amendments are all effective for annual periods beginning on or after January 1, 2019.

- On February 7, 2018, the IASB published the following amendments to IAS 19 "Plan Amendment, Curtailment or Settlement":
 - If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement.
 - In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

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The amendments are effective for periods beginning on or after January 1, 2019. Earlier application is permitted but must be disclosed.

- On March 29, 2018, the IASB issued the Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. Not all amendments, however update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the framework they are referencing to (the IASB framework adopted by the IASB in 2001, the IASB framework of 2010, or the new revised framework of 2018) or to indicate that definitions in the standard have not been updated with the new definitions developed in the revised Conceptual Framework. The amendments are effective for annual periods beginning on or after 1 January 2020.

2.2 – Basis of consolidation

These consolidated financial statements include the consolidated financial position, results of operations and cash flows of the Company and its consolidated subsidiaries. Control is achieved where the company has the power over the investee; exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the returns. All intercompany transactions and balances between the Company and its subsidiaries have been eliminated in the consolidation process.

Non-controlling interest in the equity of consolidated subsidiaries is identified separately from the Company's net liabilities therein. Non-controlling interest consists of the amount of that interest at the date of the original business combination and the non-controlling share of changes in equity since the date of the consolidation. Losses applicable to non-controlling shareholders in excess of the non-controlling interest in the subsidiary's equity are allocated against the interest of the Company, except to the extent that the non-controlling interest has a binding obligation and is able to make an additional investment to cover the losses.

Acquired companies are accounted for under the acquisition method whereby they are included in the consolidated financial statements from their acquisition date.

Detailed below are the subsidiaries of the Company whose financial statement line items have been included in these consolidated financial statements.

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Company	Country of incorporation	Main Activity	Percentage ownership As of December 31,		
			2017	2016	2015
Sistemas UK Limited	United Kingdom	Customer referral services and software development support	100.00%	100.00%	100.00%
Globalant LLC	United States of America	Customer referral services and software development support	100.00%	100.00%	100.00%
Sistemas Colombia S.A.S.	Colombia	Software development and consultancy	100.00%	100.00%	100.00%
Global Systems Outsourcing S.R.L. de C.V.	Mexico	Software development and consultancy	100.00%	100.00%	100.00%
Software Product Creation S.L.	Spain	Software development and consultancy	100.00%	100.00%	100.00%
Globalant España S.A. (sociedad unipersonal)	Spain	Investing activities	100.00%	100.00%	100.00%
Sistemas Globales Uruguay S.A.	Uruguay	Software development and consultancy	100.00%	100.00%	100.00%
Sistemas Globales S.A.	Argentina	Software development and consultancy	100.00%	100.00%	100.00%
IAFH Global S.A.	Argentina	Software development and consultancy	100.00%	100.00%	100.00%
Sistemas Globales Chile Ases. Ltda.	Chile	Software development and consultancy	100.00%	100.00%	100.00%
Globers S.A.	Argentina	Travel organization services	100.00%	100.00%	100.00%
Globalant Brasil Consultoria Ltda. ⁽¹⁾	Brazil	Software development and consultancy	100.00%	100.00%	100.00%
Huddle Investment LLP ⁽⁶⁾	United Kingdom	Investing activities	-	100.00%	100.00%
Huddle Group S.A.	Argentina	Software development and consultancy	100.00%	100.00%	100.00%
Huddle Group Corp. ⁽²⁾	United States	Software development and consultancy	-	-	100.00%
Globalant Peru S.A.C.	Peru	Software development and consultancy	100.00%	100.00%	100.00%
Globalant India Privated Limited	India	Software development and consultancy	100.00%	100.00%	100.00%
Dynaflows S.A.	Argentina	Software development and consultancy	66.73%	66.73%	66.73%
We Are London Limited ⁽⁴⁾	United Kingdom	Service design consultancy	100.00%	100.00%	-
L4 Mobile LLC ⁽⁵⁾	United States of America	Software development and consultancy	100.00%	100.00%	-
Difier S.A. ⁽⁶⁾	Uruguay	Software development and consultancy	100.00%	100.00%	-

(1) On March 23, 2016, TerraForum Consultoría Ltda. was renamed Globalant Brasil Consultoría Ltda.

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- (2) On October 31, 2016, Huddle Group Corp. was merged into Globant LLC.
- (3) We are London Limited and We are Experience LLC were acquired on May 23, 2016 (see note 23). On October 31, 2016, We are Experience LLC was merged into Globant LLC.
- (4) L4 Mobile LLC was acquired on November 14, 2016 (see note 23).
- (5) Difier S.A. was acquired on November 14, 2016 (see note 23).
- (6) Huddle Investment LLP was dissolved on June 30, 2017.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 – Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred to the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related charges are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively; and
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquired business, and the fair value of the acquirer's previously held equity interest in the acquired business (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquired business and the fair value of the acquirer's previously held equity interest in the acquired business (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquired business identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

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The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 3 and IFRS 13, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Arrangements that include remuneration of former owners of the acquiree for future services are excluded of the business combinations and will be recognized in expense during the required service period.

3.2 – Goodwill

Goodwill arising in a business combination is carried at cost as established at the acquisition date of the business less accumulated impairment losses, if any. For the purpose of impairment testing, goodwill is allocated to a unique cash generating unit (CGU).

Goodwill is not amortized and is reviewed for impairment at least annually or more frequently when there is an indication that the business may be impaired. If the recoverable amount of the business is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the business and then to the other assets of the business pro-rata on the basis of the carrying amount of each asset in the business. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of income and other comprehensive income. An impairment loss recognized for goodwill is not reversed in a subsequent period.

The Company has not recognized any impairment loss in the years ended December 31, 2017, 2016 and 2015.

3.3 – Revenue recognition

The Company generates revenue primarily from the provision of software development, testing, infrastructure management, application maintenance, outsourcing services, consultancy and Services over Platforms (SoP). SoP is a new concept for the services industry that aims deliver digital journeys in more rapid manner providing specific platforms as a starting point and then customizing them to the specific need of the customers. Revenue is measured at the fair value of the consideration received or receivable.

The Company's services are performed under both time-and-material and fixed-price contracts. For revenues generated under time-and-material contracts, revenues are recognized as services are performed with the corresponding cost of providing those services reflected as cost of revenues when incurred. The majority of such revenues are billed on an hourly, daily or monthly basis whereby actual time is charged directly to the client.

The Company recognizes revenues from fixed-price contracts based on the percentage of completion method. Under this method, revenue is recognized in the accounting periods in which services are rendered. In instances where final acceptance of the product, system or solution is specified by the client, revenues are deferred until all acceptance criteria have been met. In absence of a sufficient basis to measure progress towards completion, revenues are recognized upon receipt of final acceptance from the client. The cumulative impact of any revision in estimates is reflected in the financial reporting period in which the change in estimate becomes known. Fixed-price contracts generally correspond for services over a period of 12 months or less.

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3.4 – Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance leases which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the consolidated statement of profit or loss and other comprehensive income. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

During the years ended December 31, 2017 and 2016, the Company has recognized some agreements related to computer leases as finance leases, considering all the factors mentioned above.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. The Company did not receive any lease incentives in any of the years presented.

There are no situations in which the Company qualifies as a lessor.

3.5 – Foreign currencies

Except in the case of Globant Brasil Consultoría Ltda. (formerly TerraForum Consultoria Ltda.), Globers S.A. and We are London Limited, the Company and the other subsidiaries' functional currency is the U.S. dollar. In preparing these consolidated financial statements, transactions in currencies other than the U.S. dollar ("foreign currencies") are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are kept at the original translated cost. Exchange differences are recognized in profit and loss in the period in which they arise.

In the case of Globant Brasil Consultoría Ltda., Globers S.A. and We are London Limited, the functional currencies are the Brazilian Real, the Argentine Peso and the Great Britain Pound, respectively. Assets and liabilities are translated at current exchange rates, while income and expense are translated at the date of the transaction rate. The resulting foreign currency translation adjustment is recorded as a separate component of accumulated other comprehensive income (loss) in the equity.

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3.6 – Borrowing costs

The Company does not have borrowings attributable to the construction or production of assets. All borrowing costs are recognized in profit and loss under finance loss.

3.7 – Taxation

3.7.1 – Income taxes – current and deferred

Income tax expense represents the estimated sum of income tax payable and deferred tax.

3.7.1.1 – Current income tax

The current income tax payable is the sum of the income tax determined in each taxable jurisdiction, in accordance with their respective income tax regimes.

Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because taxable profit excludes items of income or expense that are taxable or deductible in future years and it further excludes items that are never taxable or deductible. The Company's liability for current income tax is calculated using tax rates that have been enacted or substantively enacted as of the balance sheet dates. The current income tax charge is calculated on the basis of the tax laws in force in the countries in which the consolidated entities operate.

Globant S.A, the Luxembourg company, is subject to a corporate income tax rate of 15% if taxable income is lower than EUR 25, or to a corporate income tax rate of 19% if taxable income exceeds EUR 30. If taxable income is between EUR 25 and EUR 30, the Luxembourg company is subject to corporate income tax computed as follows: EUR 3.75 plus 39% of the tax base above EUR 25. The corporate income tax is increased by a contribution of 7% to the unemployment fund. A municipal business tax also may be imposed at rates ranging from 6% to 12% depending on where the undertaking is located. Thus, Luxembourg's effective corporate income tax rate for 2017 is 27.08%. For the year 2018, businesses with taxable income lower than EUR 25 will be subject to corporate income tax at a rate of 15%. Businesses with taxable income between EUR 25 and EUR 30 will be subject to corporate income tax computed as follows: EUR 3.75 plus 33% of the tax base above EUR 25. The corporate tax rate will be 18% for companies with taxable income in excess of EUR 30.

In 2008, Globant España S.A. elected to be included in the Spanish special tax regime for entities having substantially all of their operations outside of Spain, known as "*Empresas Tenedoras de Valores en el Exterior*" ("ETVE"), on which dividends distributed from its foreign subsidiaries as well as any gain resulting from disposal are tax free. In order to be entitled to the tax exemption, among other requirements, the main activity of Globant España S.A. must be the administration and management of equity instruments from non-Spanish entities and such entities must be subject to a tax regime similar to that applicable in Spain for non-ETVEs companies. During 2016, the Company's Uruguayan, Colombian and Argentinian subsidiaries distributed dividends to Globant S.A. for a total amount of 85,064. If this tax exemption would not applied, the applicable tax rate should be 25%. The Company's Spanish subsidiary Software Product Creation S.L. is subject to a 25% corporate income tax rate.

From a taxable income perspective, the Argentine subsidiaries represent the Company's most significant operations (see below the effects of the Argentine tax reform on the income tax rates). Argentine companies are subject to a 35% corporate income tax rate. In January 2006, Huddle Group S.A. ("Huddle Argentina") and, in May 2008, IAFH Global S.A. and Sistemas Globales S.A. were notified by the Argentine Government through the Ministry of Economy and Public Finance that they had been included within the promotional regime for the software industry established under Law No. 25,922 (the "Software Promotion Regime").

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Under Argentina's Software Promotion Law No. 25,922 (Ley de Promoción de la Industria de Software), our operating subsidiaries in Argentina benefit from a 60% reduction in their corporate income tax rate (as applied to income from promoted software activities) and a tax credit of up to 70% of amounts paid for certain social security taxes (contributions) that may be offset against value-added tax liabilities. Law No. 26,692, the 2011 amendment to the Software Promotion Law ("Law No. 26,692"), also allows such tax credits to be applied to reduce our Argentine subsidiaries' corporate income tax liability by a percentage not higher than the subsidiaries' declared percentage of exports and extends the tax benefits under the Software Promotion Law until December 31, 2019.

On May 21, 2010, Ministry of Industry and Tourism published Resolution No 177/2010 which establishes that audits, verifications, inspections, controls and evaluations related to the regime of Law No. 25,922, will be supported by the beneficiaries by paying a monthly and annual fee of 7% calculated on the amount of tax benefits.

On September 16, 2013, the Argentine Government published Regulatory Decree No. 1315/2013, which governs the implementation of the Software Promotional Regime, established by Law No. 25,922, as amended by Law No. 26,692. Regulatory Decree No. 1315/2013, introduced the specific requirements needed to obtain the fiscal benefits contemplated under the Software Promotion Regime, as amended by Law No. 26,692. Those requirements include, among others, minimum annual revenue, minimum percentage of employees involved in the promoted activities, minimum aggregate amount spent in salaries paid to employees involved in the promoted activities, minimum research and development expenses and the filing of evidence of software-related services exports.

Regulatory Decree No. 1315/2013 further provides that:

- from September 17, 2014 through December 31, 2019, only those companies that are accepted for registration in the National Registry of Software Producers (Registro Nacional de Productores de Software y Servicios Informáticos) maintained by the Secretary of Industry (Secretaria de Industria del Ministerio de Industria) will be entitled to participate in the benefits of the Software Promotion Regime;
- applications for registration in the National Registry of Software Producers must be made to the Secretary of Industry within 90 days after the publication in the Official Gazette (Boletín Oficial) of the relevant registration form (which period expired on July 8, 2014);
- the 60% reduction in corporate income tax provided under the Software Promotion Regime shall only become effective as of the beginning of the fiscal year after the date on which the applicant is accepted for registration in the National Registry of Software Producers; and
- upon the Secretary of Industry's formal approval of an applicant's registration in the National Registry of Software Producers, any promotional benefits previously granted to such person under Law No. 25,922 shall be extinguished.

In addition, Regulatory Decree No. 1315/2013 delegates authority to the Secretary of Industry and the Federal Administration of Public Revenue (Administración Federal de Ingresos Públicos, or AFIP) to adopt "complementary and clarifying" regulations in furtherance of the implementation of the Software Promotion Regime.

On March 11, 2014, AFIP issued General Resolution No. 3,597. This resolution provides that, as a further prerequisite to participation in the Software Promotion Regime, a company that exports software and related services must register in a newly established Special Registry of Exporters of Services (Registro Especial de Exportadores de Servicios). On March 14, May 21 and May 28, 2014, the Company's Argentine subsidiaries, Huddle Group S.A., IAFH Global S.A. and Sistemas Globales S.A., respectively, applied and were accepted for registration in the Special Registry of Exporters of Services. In addition, General Resolution No. 3,597 states that any tax credits generated under Law No. 25,922 by a participant in the Software Promotion Regime was only valid until September 17, 2014.

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The Company's Argentine subsidiaries submitted their applications for registration in the National Registry of Software Producers on June 25, 2014.

As of December 31, 2013, based on its interpretation of Regulatory Decree No. 1315/2013, and considering the facts and circumstances available until the date of issuance of the consolidated financial statements for the year then ended, management believed that any tax credits generated under Law No. 25,922 would only be valid until the effective date of registration in the National Registry of Software Producers and, consequently, due to the uncertainty regarding the actual date of registration in such registry, that there was a substantial doubt as to the recoverability of the tax credit generated by its Argentine subsidiaries under Law No. 25,922. Accordingly, as of December 31, 2013 the Company recorded a valuation allowance of 9,579 to reduce the carrying value of such tax credit to its estimated net realizable value.

On March 26, 2015 and April 17, 2015, the Secretary and Subsecretary of Industry issued rulings approving the registration in the National Registry of Software Producers of Sistemas Globales S.A. and IAFH Global S.A. and Huddle Group S.A., respectively. In each case, the ruling made the effective date of registration retroactive to September 18, 2014 and provided that the benefits enjoyed under the Software Promotion Law as originally enacted were not extinguished until the ruling goes into effect (which have occurred upon its date of publication in the Argentine government's official gazette).

On May 7, 2015, the Company applied to the Subsecretary of Industry for deregistration of Huddle Group S.A. from the National Registry of Software Producers, as the subsidiary had discontinued activities since January 1, 2015. As a consequence, Huddle Group S.A. is subject to a 35% corporate income tax rate since January 1, 2015.

As of December 31, 2015, the Company recorded a gain of 1,820, related to the partial reversal of the allowance of impairment of tax credit generated under the abovementioned regime up to the date of the reaccreditation of the Argentine subsidiary (Sistemas Globales S.A.) by the Secretary of Industry who stated in the respective resolutions that the tax benefits under the previous regime expired on the date of the reaccreditation. After the date of the reaccreditation under the new law, the Company has not recognized any benefit under the law 25,922.

On December 29, 2017, Argentina enacted a comprehensive tax reform (Law No. 27,430) through publication in the Official Gazette. The Law is effective from January 1, 2018. Specifically, introduces amendments to income tax (both at corporate and individual levels), value added tax (VAT), tax procedural law, criminal tax law, social security contributions, excise tax, tax on fuels, and tax on the transfer of real estate.

At a corporate level, the law decreases the corporate income tax rate from 35% to 30% for fiscal years starting January 1, 2018 to December 31, 2019, and to 25% for fiscal years starting January 1, 2020 and onwards. The Law also establishes dividend withholding tax rates of 7% for profits accrued during fiscal years starting January 1, 2018 to December 31, 2019, and 13% for profits accrued in fiscal years starting January 1, 2020 and onwards. The new withholding rates apply to distributions made to shareholders qualifying as resident individuals or nonresidents.

Even though the combined effective rate for shareholders on distributed income (corporate income tax rates plus dividend withholding rates on the after tax profit) will be close to the prior 35% rate, this change is aimed at promoting the reinvestment of profits. Additionally, the Law repeals the "equalization tax" (i.e., 35% withholding applicable to dividends distributed in excess of the accumulated taxable income) for income accrued from January 1, 2018.

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Regarding the rest of the Company's Argentine subsidiaries, Globers Travel and Dynaflows, as they are not included within the Software Promotion Regime, are subject to a corporate income tax rate of 35% and will be applying the reduced tax rate incorporated by the Law No. 27,430 during next fiscal years.

The Company's Uruguayan subsidiary Sistemas Globales Uruguay S.A. is domiciled in a tax free zone and has an indefinite tax relief of 100% of the income tax rate and an exemption from VAT. Aggregate income tax relief arising under Sistemas Globales Uruguay S.A. for years ended December 31, 2017, 2016 and 2015 were 2,488, 1,231, 1,175, respectively. The Company's Uruguayan subsidiary Difier S.A. is located outside tax-free zone and according to Article 163 bis of Decree No. 150/007 the software development services performed are exempt from income tax and value-added tax applicable as long as they are exported and utilized abroad.

Until December 31, 2017, the Company's Colombian subsidiary Sistemas Colombia S.A.S. was subject to federal corporate income tax at the rate of 34% and a surcharge at the rate of 6% calculated on net income before income tax. For fiscal year 2018, the income tax rate will be 33% and surcharge rate will be 4%. From fiscal year 2019 onwards, surcharge will be eliminated and corporate tax rate will remain at 33%.

Until December 31, 2017, the Company's U.S. subsidiary Globant LLC is subject to U.S. federal income tax at the rate of 34%. For tax purposes, L4 Mobile LLC is considered a partnership which elected to be a disregarded entity. The profit of L4 Mobile LLC will pass directly through the business to Globant LLC and will be taxed on its income tax return.

On 22 December 2017, the United States enacted the Tax Cuts and Jobs Act ("Tax Act") that instituted fundamental changes to the taxation of multinational corporations. The Tax Act includes significant changes to the U.S. corporate income tax system, including a federal corporate rate reduction from 35% to 21%, limitations on the deductibility of interest expense and executive compensation, changes regarding net operating loss carryforwards, and the transition of U.S. international taxation from a worldwide tax system to a territorial tax system. Furthermore, as part of the transition to the new tax system, a one-time transition tax is imposed on a U.S. shareholder's historical undistributed earnings of foreign affiliates. For certain eligible pass-through entities, the Tax Act provides for a qualified business income deduction. The Tax Act introduces various changes to the Internal Revenue Code. The Company is currently evaluating the effect of the changes introduced by the Tax Act on the Company's business. It is anticipated that meaningful guidance explaining the application of certain provisions of the Tax Act will be released in the upcoming year.

The reform also introduces base erosion provisions for U.S. corporations that are part of multinational group. For fiscal years beginning after December 31, 2017, a U.S. corporation is potentially subject to tax under the Base Erosion Anti-Abuse Tax provision ("BEAT"), if the controlled group of which it is a part has sufficient gross receipts and derives a sufficient level of "base erosion tax benefits". The provisions introducing the BEAT are complex and there are currently uncertainties surrounding their practical and technical application.

The Company's English subsidiary Sistemas UK Limited is subject to corporate income tax at the rate of 19%. For the years 2016 and 2015, the corporate income tax rates were 20% and 21%, respectively.

The Company's Chilean subsidiary Sistemas Globales Chile Ases. Ltda. is subject to corporate income tax at the rate of 25.5%. For the years 2017 and 2016, the corporate income tax rates were 25.5% and 24.0%, respectively, and for 2018 it will be 27.0%.

The Company's Brazilian subsidiary Globant Brasil Consultoria Ltda. (formerly Terraforum Consultoria Ltda.), applies the taxable income method called "Lucro real". Under this method, taxable income is based upon a percentage of profit accrued by the Company, adjusted according to the add-backs and exclusions provided in the relevant tax law. The rate applicable to the taxable income derived from the subsidiary's activity is 24% plus 10% if the net income before income tax is higher than 240,000 reais for the years 2017 and 2016, and 120,000 reais for the year 2015.

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The Company's Peruvian subsidiary, Globant Peru S.A.C. is subject to corporate income tax at the rate of 29.5%. For the years 2016 and 2015, the corporate income tax rates were 25.25% and 30%, respectively.

The Company's Mexican subsidiary, Global Systems Outsourcing S.R.L. de C.V., is subject to corporate income tax at the rate of 30%.

The Company's Indian subsidiary Globant India Private Limited is primarily export-oriented and is eligible for certain income tax holiday benefits granted by the government of India for export activities conducted within Special Economic Zones, or SEZs. The services provided by our Pune development center are eligible for a deduction of 100% of the profits or gains derived from the export of services for the first five years from the financial year in which the center commenced the provision of services and 50% of such profits or gains for the five years thereafter. Certain tax benefits are also available for a further five years subject to the center meeting defined conditions. Indian profits ineligible for SEZ benefits are subject to corporate income tax at the rate of 34.61%. In addition, all Indian profits, including those generated within SEZs, are subject to the Minimum Alternative Tax (MAT), at the current rate of approximately 21.34%, including surcharges.

3.7.1.2 – Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets including tax loss carry forwards are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the entities are able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. The Company has not recorded any current or deferred income tax in other comprehensive income or equity in any each of the years presented.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Under IFRS, deferred income tax assets (liabilities) are classified as non-current assets (liabilities).

The Company does not have unrecognized tax benefits or reserve for uncertain tax positions that require disclosure in its consolidated financial statements.

3.8 – Property and equipment

Fixed assets are valued at acquisition cost, net of the related accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognized so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Lands and properties under construction are carried at cost, less any recognized impairment loss. Properties under construction are classified to the appropriate categories of property and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Land is not depreciated.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

The value of fixed assets, taken as a whole, does not exceed their recoverable value.

3.9 – Intangible assets

Intangible assets include licenses, customer relationships and non-compete agreements. The accounting policies for the recognition and measurement of these intangible assets are described below.

3.9.1 – Intangible assets acquired separately

Intangible assets with finite useful life that are acquired separately (licenses) are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the intangible assets estimated useful lives. The estimated useful lives and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimates being accounted for on a prospective basis.

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3.9.2 – Intangible assets acquired in a business combination

Intangible assets acquired in a business combination (trademarks, customer relationships and non-compete agreements) are recognized separately from goodwill and are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

3.9.3 – Internally-generated intangible assets

Intangible assets arising from development are recognized if, and only if, all the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the ability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated assets is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.9.4 – Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized. No intangible asset has been derecognized in the last three years.

3.10 – Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit or the business, as the case may be.

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The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit or loss and other comprehensive income for the year.

As of December 31, 2017 the Company recorded an impairment loss of 4,708 related to the intangible assets acquired in business combinations. In 2016 and 2015 no impairment losses were recorded.

3.11 – Provisions for contingencies

The Company has existing or potential claims, lawsuits and other proceedings. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation, and the advice of the Company's legal advisors.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The amount of the recognized receivable does not exceed the amount of the provision recorded.

3.12 – Financial assets

Financial assets are classified into the following specified categories: "held-to-maturity" investments, "available-for-sale" ("AFS") financial assets, "fair value through profit or loss" ("FVTPL") and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

3.12.1 – Effective interest method

The effective interest method is a method of calculating the amortized cost of an instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.12.2 – Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL. A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

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A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Finance income' line.

3.12.3 – Available-for-sale financial assets (AFS financial assets)

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) FVTPL.

Listed redeemable notes held by the Company that are traded in an active market are classified as AFS and are stated at fair value at the end of each reporting period. Fair value is determined in the manner described in note 27.8. Changes in the carrying amount of AFS financial assets relating to changes in foreign currency rates, interest income calculated using the effective interest method are recognized in profit or loss. Other changes in the carrying amount of AFS financial assets are recognized in other comprehensive income and accumulated under the heading of investment revaluation reserve.

The AFS financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate prevailing at the end of the reporting period. The foreign exchange gains and losses that are recognized in profit or loss are determined based on the amortized cost of the monetary asset. Other foreign exchange gains and losses are recognized in other comprehensive income.

3.12.4 - Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment. During December, 2015, the Company has reclassified its held-to-maturity investments as available-for-sale investments, as described in note 27.8.

3.12.5 - Derivative financial instruments

The Company enters into foreign exchange forward contracts. Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss.

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3.12.6 – Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

3.12.7 – Investment in associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate.

3.12.8 – Other Financial Assets

Call option over non-controlling interest in subsidiary

On October 22, 2015, the Company was granted with a call option to acquire the remaining 33.27% interest in Dynaflo S.A, which can be exercised from October 22, 2020 till October 21, 2021. At the same moment, the Company has also agreed on a put option with the non-controlling shareholders which gives them the right to sell its remaining 33.27% interest on October 22, 2018 or October 22, 2020. As of December 31, 2017 and 2016, the Company accounted for the call option at its fair value of 455 and 319, respectively, in a similar way to a call option over an entity's own equity shares and the initial fair value of the option was recognized in equity.

Clarice Subscription agreement

On May 14, 2015, the Company signed a subscription agreement as described in note 23. According to this agreement, the Company will receive a fix amount of money in exchange of a variable number of shares of the Company. According to IAS 32:11, a financial asset has been recognized in order to reflect the contractual right to receive cash. As of December 31, 2017 and 2016, the Company has recorded 800 and 900 as current financial assets, respectively.

3.12.9- Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost considered to be objective evidence of impairment. When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

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In respect of AFS equity securities, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in the fair value subsequent to an impairment loss is recognized in other comprehensive income. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For financial assets measured at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty to the issuer or counterparty;
- Breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the borrower will enter bankruptcy or financial reorganization; or
- The disappearance of an active market for the financial asset because of financial difficulties.

Trade receivables carrying amount is reduced through the use of an allowance account on a case-by-case basis. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit and loss.

3.12.10 – Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

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3.13 – Financial liabilities and equity instruments

3.13.1 – Classification as debt or equity

Debt and equity instruments issued by the Company and its subsidiaries are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.13.2 – Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.13.3 – Financial liabilities

Financial liabilities, including trade payables, other liabilities and borrowings, are initially measured at fair value, net of transaction costs.

Financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.13.4 – Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.14 – Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and short-term highly liquid investments (original maturity of less than 90 days). In the consolidated statements of financial position, bank overdrafts are included in borrowings within current liabilities.

Cash and cash equivalents as shown in the statement of cash flows only includes cash and bank balances.

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3.15 – Reimbursable expenses

Out-of-pocket and travel expenses are recognized as expense in the statements of income for the year. Reimbursable expenses are billed to customers and recorded net of the related expense.

3.16 - Share-based compensation plan

The Company has a share-based compensation plan for executives and employees of the Company and its subsidiaries. Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set forth in note 22.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will potentially vest, with a corresponding increase in equity.

3.17 – Gain on transactions with bonds - Proceeds received by Argentine subsidiaries through capital contributions

During the year ended December 31, 2015, the Argentine subsidiaries of the Company, through cash received from capital contributions, acquired Argentine sovereign bonds, including BODEN and Bonos Argentinos ("BONAR"), in the U.S. market denominated in U.S. dollars. These bonds trade both in the U.S. and Argentine markets. The Company considers the Argentine market to be the principal market for these bonds.

After acquiring these bonds and after holding them for a certain period of time, the Argentine subsidiaries, sell those bonds in the Argentine market. The fair value of these bonds in the Argentine market (in Argentine pesos) during the year ended December 31, 2015 was higher than its quoted price in the U.S. market (in U.S. dollars) converted at the official exchange rate prevailing in Argentina, which is the rate used to convert these transactions in foreign currency into the Company's functional currency; thus, generating a gain when remeasuring the fair value of the bonds in Argentine pesos into U.S. dollars at the official exchange rate prevailing in Argentina.

During the year ended December 31, 2015 the Company recorded a gain amounting to 19,102, due to the above-mentioned transactions that were disclosed under the caption "Gain on transactions with bonds" in the consolidated statements of profit or loss and other comprehensive income.

During the years ended December 31, 2017 and 2016, the Company did not engage in the above described transaction.

3.18 – Components of other comprehensive income

Components of other comprehensive income are items of income and expense that are not recognized in profit or loss as required or permitted by other IFRSs. The Company included gains and losses arising from translating the financial statements of a foreign operation and the income related to the valuation at fair value of the financial assets classified as available for sale.

NOTE 4 – CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 3, the Company's management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

The critical accounting estimates concerning the future and other key sources of estimation uncertainty at the end of the reporting year that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are the following:

1. Revenue recognition

The Company uses the percentage-of-completion method in accounting for fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate each contract's total labor cost to date as a proportion of the total expected labor cost.

This method is followed where reasonably dependable estimates of revenues and costs can be made. Fixed-price contracts generally correspond for services over a period of 12 months or less. Some fixed-price contracts are recurring contracts that establish a fixed amount per month and do not require the Company to apply significant judgment in accounting for those types of contracts. In consequence, the use of estimates is only applicable for those contracts that are on-going at the year end and that are not recurring.

Reviews to these estimates may result in increases or decreases to revenues and income and are reflected in the consolidated financial statements in the periods in which they are first identified. If the estimates indicate that a contract loss will be incurred, a loss provision is recorded in the period in which the loss first becomes probable and reasonably estimable. Contract losses are determined to be the amount by which the estimated costs of the contract exceed the estimated total revenues that will be generated by the contract and are included in cost of revenues in the consolidated statement of income and other comprehensive income. Contract losses for the periods presented in these consolidated financial statements were immaterial.

2. Goodwill impairment analysis

Goodwill is measured as the excess of the cost of an acquisition over the sum of the amounts assigned to tangible and intangible assets acquired less liabilities assumed. The determination of the fair value of the tangible and intangible assets involves certain judgments and estimates. These judgments can include, but are not limited to, the cash flows that an asset is expected to generate in the future and the appropriate weighted average cost of capital.

The Company evaluates goodwill for impairment at least annually or more frequently when there is an indication that the unit may be impaired. When determining the fair value of the Company's cash generating unit, the Company utilizes the income approach using discounted cash flow. The income approach considers various assumptions including increase in headcount, headcount utilization rate, income from each country and revenue per employee, income tax rates and discount rates. The assumptions considered by the Company as of December 31, 2017 are the following: projected cash flows for the following five years, the average growth rate considered was 21.5% and the rate used to discount cash flows was 10.58%. The long-term rate used to extrapolate cash flows beyond the projected period was 3%.

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Any adverse changes in key assumptions about the businesses and their prospects or an adverse change in market conditions may cause a change in the estimation of fair value and could result in an impairment charge. Based upon the Company's evaluation of goodwill, no impairments were recognized during 2017, 2016 and 2015.

3. Income taxes

Determining the consolidated provision for income tax expenses, deferred income tax assets and liabilities requires significant judgment. The provision for income taxes includes federal, state, local and foreign taxes. Deferred tax assets and liabilities are recognized for the estimated future tax consequences in each of the jurisdictions where the Company operates of temporary differences between the financial statement carrying amounts and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which the temporary differences are expected to be reversed. Changes to enacted tax rates would result in either increases or decreases in the provision for income taxes in the period of changes.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax assets to be utilized. This assessment requires judgments, estimates and assumptions by management. In evaluating the Company's ability to utilize its deferred tax assets, the Company considers all available positive and negative evidence, including the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are recoverable. The Company's judgments regarding future taxable income are based on expectations of market conditions and other facts and circumstances. Any adverse change to the underlying facts or the Company's estimates and assumptions could require that the Company reduces the carrying amount of its net deferred tax assets.

4. The allowance for doubtful accounts

The Company maintains an allowance for doubtful accounts for estimated losses resulting from the inability of its clients to make required payments. The allowance for doubtful accounts is determined by evaluating the relative credit-worthiness of each client, historical collections experience and other information, including the aging of the receivables. If the financial condition of customers of the Company were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

5. Share-based compensation plan

The Company's grants under its share-based compensation plan with employees are measured based on fair value of the Company's shares at the grant date and recognized as compensation expense on a straight-line basis over the requisite service period, with a corresponding impact reflected in additional paid-in capital.

Determining the fair value of the share-based awards at the grant date requires judgments. The Company calculated the fair value of each option award on the grant date using the Black-Scholes option pricing model. The Black-Scholes model requires the input of highly subjective assumptions, including the fair value of the Company's shares, expected volatility, expected term, risk-free interest rate and dividend yield.

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Fair value of the shares: For 2014 Equity Incentive Plan, the fair value of the shares is based on the quote market price of the Company's shares at the grant date. For 2012 Equity Incentive Plan, as the Company's shares were not publicly traded the fair value was determined using the market approach technique based on the value per share of private placements. The Company had gone in the past through a series of private placements in which new shares have been issued. The Company understood that the price paid for those new shares was a fair value of those shares at the time of the placement. In January 2012, Globant España S.A. had a capital contribution from a new shareholder, which included cash plus share options granted to the new shareholder, therefore, the Company considered that amount to reflect the fair value of their shares. The fair value of the shares related to this private placement resulted from the following formula: cash minus fair value of share options granted to new shareholder divided by number of newly issued shares. The fair value of the share options granted to the new shareholder was determined using the same variables and methodologies as the share options granted to the employees. After the reorganization in December 2012, shares of Globant S.A (Luxembourg) were sold by existing shareholders in a private placement to WPP. The fair value of the shares related to this private placement results from the total amount paid by WPP to the existing shareholders.

Expected volatility: As the Company does not have sufficient trading history for the purpose of valuing our share options, the expected volatility of their shares is estimated by using the average historic price volatility of the NASDAQ 100 Telecommunication Index.

Expected term: The expected life of options represents the period of time the granted options are expected to be outstanding.

Risk free rate: The risk-free rate for periods within the contractual life of the option is based on the U.S. Federal Treasury yield curve with maturities similar to the expected term of the options.

Dividend yield: The Company has never declared or paid any cash dividends and do not presently plan to pay cash dividends in the foreseeable future. Consequently, the Company used an expected dividend yield of zero.

6. Call option over non-controlling interest

As of December 31, 2017 and 2016, the Company held a call option to acquire the 33.27% of the remaining interest in Dynaflores S.A., which could be exercised from October 22, 2020 until October 21, 2021. The Company calculated the fair value of this option using the Black-Scholes option model. The Black-Scholes model requires the input of highly subjective assumptions, including the expected volatility, maturity, risk-free interest rate, value of the underlying asset and dividend yield.

Expected volatility: The Company has considered annualized volatility as multiples of EBITDA and Revenue of publicly traded companies in the technology business in the U.S., Europe and Asia since 2008.

Maturity: The combination between the call and put options (explained in note 23) implied that, assuming no liquidity restrictions as part of the Company at the moment that the option was exercisable and considering that both parties wanted to maximize their benefits, the Company would acquire the minority shareholders shares at the date that this option was exercisable. Therefore, the Company has assumed that the maturity date of call option is October 22, 2020.

Risk free rate: The risk-free rate for periods within the contractual life of the option was based on the Argentinean bonds (BONAR) with a quote in the US market with maturities similar to the expected term of the option.

Value of the underlying assets: The Company considered a multiple of EBITDA and Revenue resulting from the implied multiple in Dynaflores adjusted by the lack of control.

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Dividend yield: The Company did not presently plan to pay cash dividends in the foreseeable future. Consequently, the Company used an expected dividend yield of zero.

7. Recoverability of internally generated intangible assets

During the year, the Company considered the recoverability of its internally generated intangible asset which are included in the consolidated financial statements as of December 31, 2017 and 2016 with a carrying amount of 6,395 and 3,904, respectively.

A detailed recoverability analysis has been carried out by the Company, considering both, revenue from customers in case of the assets sold to third parties and internal usage for those assets that are used internally, and, as a result, the Company believes that the carrying amount of the internally generated intangible assets will be recovered in full. This situation will be closely monitored, and adjustments made in future periods if future market activity indicates that such adjustments are appropriate.

8. Fair value measurement and valuation processes

Certain assets and liabilities of the Company are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, if necessary the Company engages third party qualified valuers to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 27.9.

9. Useful lives of property, equipment and intangible assets

The Company reviews the estimated useful lives of property, equipment and intangible assets at the end of each reporting period. The Company determined that the useful lives of the assets included as property, equipment and intangible assets are in accordance with their expected lives.

10. Provision for contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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11. The allowance for impairment of tax credits

As of December 31, 2017, the Company recorded an allowance for impairment of tax credits for an amount of 1,586 for estimated losses resulting from substantial doubt about the recoverability of some tax credits. This allowance for impairment of tax credits was determined by estimating future uses of tax credits against value-added tax positions.

The tax credits included in the allowance for impairment are mainly related to Argentine taxation. The Company estimated the future VAT credit and VAT debit that comes from domestic purchases and sales, respectively. Since exports are zero-rated, any excess portion of the credit not used against any VAT debit is reimbursable to the Company, through a special VAT recovery regime. However, according to VAT recovery rules, there are certain limitations on the amount that may be reimbursed and the Company considered any VAT credit that cannot be reimbursed to be an impairment.

12. Recoverability of intangible assets acquired in business combinations

The Company evaluates intangible assets acquired in business combinations for impairment at least annually or more frequently when there is an indication that the asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is the higher of fair value less costs of disposal and value in use. The determination of the fair value of intangible assets acquired in business combinations involves certain judgments and estimates. These judgments can include, but are not limited to, the cash flows that an asset is expected to generate in the future and the appropriate weighted average cost of capital. When determining the fair value, we utilize the income approach using discounted cash flow.

A total amount of 4,708 of impairment loss related to the intangible assets acquired in business combinations was recognized as of December 31, 2017 and is included as other operating expenses. The impairment was recognized as a result of the Company's evaluation of such intangible assets, upon which the Company projected lower future cash flows from the related customer relationships. In 2016 and 2015 no impairment losses were recorded.

NOTE 5 – COST OF REVENUES AND SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

5.1 - Cost of revenues

	For the year ended December 31,		
	2017	2016	2015
Salaries, employee benefits and social security taxes	(239,257)	(176,490)	(146,271)
Shared-based compensation expense	(5,666)	(917)	(735)
Depreciation and amortization expense	(4,339)	(4,281)	(4,441)
Travel and housing	(6,631)	(6,586)	(6,673)
Office expenses	(1,692)	(1,084)	(1,504)
Professional services	(5,005)	(1,754)	(361)
Recruiting, training and other employee expenses	(415)	(216)	(227)
Taxes other than income tax	(166)	(67)	(80)
TOTAL	(263,171)	(191,395)	(160,292)

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5.2 - Selling, general and administrative expenses

	For the year ended December 31,		
	2017	2016	2015
Salaries, employee benefits and social security taxes	(42,897)	(30,603)	(28,029)
Shared-based compensation expense	(8,798)	(2,703)	(1,647)
Rental expenses	(13,739)	(12,032)	(9,945)
Office expenses	(11,800)	(10,200)	(9,448)
Professional services	(9,885)	(7,599)	(7,463)
Travel and housing	(4,460)	(5,054)	(3,435)
Taxes other than income tax	(6,140)	(5,010)	(4,908)
Depreciation and amortization expense	(11,789)	(6,637)	(4,860)
Promotional and marketing expenses	(1,305)	(1,123)	(1,654)
Recovery (charge) to allowance for doubtful accounts, net	5	(928)	(205)
TOTAL	(110,808)	(81,889)	(71,594)

NOTE 6 – FINANCE INCOME / EXPENSE

	For the year ended December 31,		
	2017	2016	2015
Finance income			
Interest gain	479	60	8
Gain arising for held-for-trading investments	923	3,619	13,453
Gain arising for held-to-maturity investments	—	—	4,941
Gain arising for available-for-sale investments (*)	240	6,325	—
Foreign exchange gain	6,314	6,211	9,153
Subtotal	7,956	16,215	27,555
Finance expense			
Interest expense on borrowings	(95)	(41)	(108)
Loss arising for held-for-trading investments	(620)	(2,966)	—
Foreign exchange loss	(9,043)	(14,831)	(19,289)
Other interest	(788)	(776)	(888)
Other	(490)	(613)	(667)
Subtotal	(11,036)	(19,227)	(20,952)
TOTAL	(3,080)	(3,012)	6,603

(*) As of December 31, 2017 and 2016 includes 27 and 52, respectively, related to the gain recognized as Other comprehensive income as of December 31, 2016 and December 31, 2015, respectively.

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NOTE 7 – INCOME TAXES

7.1 – INCOME TAX RECOGNIZED IN PROFIT AND LOSS

	For the year ended December 31,		
	2017	2016	2015
Tax expense:			
Current tax expense	(14,053)	(15,057)	(19,522)
Deferred tax benefit ⁽¹⁾	5,972	730	1,102
TOTAL INCOME TAX EXPENSE	(8,081)	(14,327)	(18,420)

(1) As of December 31, 2017, includes 1,004 of deferred tax gain related to changes in tax rates.

Substantially all revenues are generated in the U.S. and United Kingdom through subsidiaries located in those countries. The Company's workforce is mainly located in Latin America and to a lesser extent in India and U.S.

The following table provides a reconciliation of the statutory tax rate to the effective tax rate. As the operations of the Argentine subsidiaries are the most significant source of net taxable income of the Company, the following reconciliation has been prepared using the Argentine tax rate:

	For the year ended December 31,		
	2017	2016	2015
Profit before income tax	38,544	50,189	50,040
Tax rate (note 3.7.1.1)	35%	35%	35%
Income tax expense	(13,490)	(17,566)	(17,514)
Permanent differences			
Argentine Software Promotion Regime (note 3.7.1.1)	3,541	7,189	15,037
Effect of different tax rates of subsidiaries operating in countries other than Argentina	2,019	1,069	1,362
Non-deductible expenses	1,187	2,301	1,184
Tax loss carry forward not recognized	(374)	(878)	(1,681)
Exchange difference	(860)	(6,593)	(17,560)
Other	(104)	151	752
INCOME TAX EXPENSE RECOGNIZED IN PROFIT AND LOSS	(8,081)	(14,327)	(18,420)

7.2 – DEFERRED TAX ASSETS

	As of December 31,	
	2017	2016
Share-based compensation plan	5,772	4,919
Provision for vacation and bonus	1,309	1,339
Intercompany trade payables	3,126	—
Property and equipment	756	(298)
Contingencies	—	31
Others	(182)	(39)
Loss carryforward ⁽¹⁾	2,405	1,739
TOTAL DEFERRED TAX ASSETS	13,186	7,691

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(1) As of December 31, 2017 and 2016, the detail of the loss carryforward is as follows:

Company	2017		2016	
	Loss carryforward	Expiration date	Loss carryforward	Expiration date
Globant S.A.	737	2035	—	—
Dynaflows S.A.	80	2020	17	2020
Globant Brasil Consultoría Ltda. ⁽²⁾	1,219	does not expire	1,235	does not expire
We Are London Limited	253	does not expire	—	—
Sistemas UK Limited	116	does not expire	105	does not expire
Sistemas Globales Chile Ases. Ltda.	—	—	101	does not expire
Globant LLC	—	—	274	does not expire
Software Product Creation S.L.	—	—	7	does not expire
	2,405		1,739	

(2) The amount of the carryforward that can be utilized for Globant Brasil Consultoría Ltda. is limited to 30% of taxable income in each carryforward year.

The roll forward of the deferred tax assets/(liabilities) presented in the consolidated financial position is as follows:

	Opening balance	Recognised in profit or loss	Recognised directly in equity	Acquisitions/disposals	Closing balance
Deferred tax assets/(liabilities) in relation to:					
Share-based compensation plan	4,919	1,026	1,400	(1,573)	5,772
Provision for vacation and bonus	1,339	(30)	—	—	1,309
Intercompany trade payables	—	3,126	—	—	3,126
Property and equipment	(298)	1,054	—	—	756
Contingencies	31	(31)	—	—	—
Others	(39)	(143)	—	—	(182)
Subtotal	5,952	5,002	1,400	(1,573)	10,781
Loss carryforward	1,739	970	—	(304)	2,405
TOTAL	7,691	5,972	1,400	(1,877)	13,186

NOTE 8 – EARNINGS PER SHARE

The earnings and weighted average number of shares used in the calculation of basic and diluted earnings per share are as follows:

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	For the year ended December 31,		
	2017	2016	2015
Net income for the year attributable to owners of the Company	30,539	35,876	31,653
Weighted average number of shares (in thousands) for the purpose of basic earnings per share	34,919	34,402	33,960
Weighted average number of shares (in thousands) for the purpose of diluted earnings per share	36,094	35,413	35,013
BASIC EARNINGS PER SHARE	\$ 0.87	\$ 1.04	\$ 0.93
DILUTED EARNINGS PER SHARE	\$ 0.84	\$ 1.01	\$ 0.90

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weight average number of ordinary shares for the purpose of diluted earnings per share:

	For the year ended December 31,		
	2017	2016	2015
Shares deemed to be issued in respect of employee options	603,159	1,021,250	748,198

NOTE 9 – INVESTMENTS

9.1 – Current investments

	As of December 31,	
	2017	2016
Mutual funds ⁽¹⁾	7,620	9,355
LEBACs ⁽²⁾	527	—
TOTAL	8,147	9,355

(1) Held for trading investment.

(2) Available for sale investment.

9.2 – Investments in associates

CHVG investment

The Company owns the 40% of total shares of CHVG S.A. ("CHVG") and accounted for this investment using the equity method.

Colloquia investment

As of December 31, 2017 and 2016, the Company has a 19.5% of participation in Colloquia LLC for an amount of 800.

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On February 25, 2016, the Company signed a subscription agreement with Colloquia LLC, through which Colloquia LLC agreed to increase its capital by issuing 55,645 preferred units, from which the Company acquired 20,998 at the price of \$23.81 per share for a total amount of 500. After this subscription, the Company has a 19.5% of participation in Colloquia LLC for a total amount of 800 and accounted for this investment using the equity method considering that the Company has significant influence over the operating and governance decisions of Colloquia LLC, as the participation in the board of director, the approval of budget and business plan, among other decisions.

Acamica investment

On January 26, 2016, the Company signed a subscription agreement with Ignacio Moreno, Tomás Escobar, Gonzalo Orsi and Juan Badino (jointly "the Founders"); Fitory S.A., a company organized under the laws of Uruguay; Wayra Argentina S.A., a corporation organized under the laws of Argentina; Stultum Pecuniam Ventures LLC, a limited liability company organized under the laws of the state of Washington, United States; Ms. Eun Young Hwang ("Rebecca"); Acamica S.A., a company organized under the laws of Argentina ("Acamica Argentina") and Acamica Inc, a corporation organized under the laws of the state of Delaware, United States ("Acamica US" and together with Acamica Argentina, the "Acamica Group Companies") whereas the Founders own 100% of the capital share of Acamica Group Companies and formed a new company organized under the laws of Spain ("Holdco") which owned 100% of the capital shares of Acamica US and 97% of the capital shares of Acamica Argentina.

On January 3, 2017, pursuant to the terms of the subscription agreement the Company made a capital contribution of 750 to the Acamica Tecnologías S.L. (previously referred as Holdco) in exchange for a 20% ownership stake in the entity. The investment is accounted using the equity method considering that the Company has significant influence over the operating and governance decisions of Acamica Tecnologías S.L., as the participation in the board of director, the approval of budget and business plan, among other decisions.

Assets, liabilities, results and other comprehensive income for all the above mentioned investments as of December 31, 2017, 2016 and 2015 were not significant individually nor in the aggregate.

NOTE 10 – TRADE RECEIVABLES

	As of December 31,	
	2017	2016
Accounts receivable ⁽¹⁾	71,846	47,466
Unbilled revenue	8,841	7,321
Subtotal	80,687	54,787
Less: Allowance for doubtful accounts	(609)	(617)
TOTAL	80,078	54,170

(1) Includes amounts due from related parties of 463 and 575 as of December 31, 2017 and 2016 (see note 21.1).

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Roll forward of the allowance for doubtful accounts

	As of December 31,		
	2017	2016	2015
Balance at beginning of year	(617)	(438)	(243)
Additions, net of recoveries ⁽¹⁾	5	(928)	(205)
Additions related to business combinations (note 23)	—	—	(109)
Write-off of receivables	3	749	117
Translation	—	—	2
Balance at end of year	(609)	(617)	(438)

(1) The impairment recognized represents the difference between the carrying amount of these trade receivables and the present value of the recoverable amounts included those expected in liquidation proceeds. The Company does not hold any collateral over these balances. In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of each fiscal year.

Aging of past due not impaired trade receivables

	As of December 31,	
	2017	2016
60-90 days	873	472
91+ days	775	108
Balance at end of year	1,648	580

The average credit period on sales is 65 days. No interest is charged on trade receivables. The Company reviews past due balances on a case-by-case basis. The Company has recognized an allowance for doubtful accounts of some individually trade receivables that are considered not recoverable and 100% against all receivables over 120 days because historical experience has been that receivables that are past due beyond 120 days are usually not recoverable.

Aging of impaired trade receivables

	As of December 31,	
	2017	2016
91-180 days	4	617
180+ days	605	—
Balance at end of year	609	617

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NOTE 11 – OTHER RECEIVABLES

	As of December 31,	
	2017	2016
Other receivables		
Current		
Tax credit - VAT	3,984	7,391
Tax credit - Software Promotion Regime (note 3.7.1.1)	4,813	4,486
Income tax credits	2,869	978
Other tax credits	153	471
Advances to suppliers (*)	155	4,013
Prepaid expenses	1,931	1,034
Loans granted to employees	186	32
Other	266	464
TOTAL	14,357	18,869

(*) As of December 31, 2016 includes 2,992 related to advance to acquired building as explained in note 20.

	As of December 31,	
	2017	2016
Non-current		
Advances to suppliers (note 20)	25,498	20,977
Tax credit - VAT	3,325	4,122
Income tax credits	2,129	577
Tax credit - Software Promotion Regime (note 3.7.1.1)	132	—
Other tax credits	105	—
Guarantee deposits	1,347	1,289
Other	500	500
Subtotal	33,036	27,465
Allowance for impairment of tax credits	(1,300)	—
TOTAL	31,736	27,465

Roll forward of the allowance for impairment of tax credits

	As of December 31,	
	2017	2016
Balance at beginning of year	—	—
Additions (note 4.11)	1,586	—
Foreign exchange	(286)	—
Balance at end of year	1,300	—

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NOTE 12 – PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2017 included the following:

	Computer equipment and software	Furniture and office supplies	Office fixtures	Vehicles	Buildings	Lands	Properties under construction	Total
Useful life (years)	3	5	3	5	50			
Cost								
Values at beginning of year	18,097	5,117	29,723	34	6,981	2,354	3,899	66,205
Additions related to business combinations (note 23)	116	55	3	3	—	—	15	192
Additions	5,244	324	2,275	—	—	—	9,687	17,530
Transfers	98	477	1,431	—	—	—	(2,006)	—
Disposals	(166)	(222)	(152)	—	—	—	(428)	(968)
Translation	(8)	59	(5)	—	—	—	—	46
Values at end of year	<u>23,381</u>	<u>5,810</u>	<u>33,275</u>	<u>37</u>	<u>6,981</u>	<u>2,354</u>	<u>11,167</u>	<u>83,005</u>
Depreciation								
Accumulated at beginning of year	11,219	3,136	15,921	4	249	—	—	30,529
Additions	3,529	717	4,658	9	140	—	—	9,053
Disposals	(133)	(218)	(149)	—	—	—	—	(500)
Translation	(6)	59	(9)	—	—	—	—	44
Accumulated at end of year	<u>14,609</u>	<u>3,694</u>	<u>20,421</u>	<u>13</u>	<u>389</u>	<u>—</u>	<u>—</u>	<u>39,126</u>
Carrying amount	<u>8,772</u>	<u>2,116</u>	<u>12,854</u>	<u>24</u>	<u>6,592</u>	<u>2,354</u>	<u>11,167</u>	<u>43,879</u>

Property and equipment as of December 31, 2016 included the following:

	Computer equipment and software	Furniture and office supplies	Office fixtures	Vehicles	Buildings	Lands	Properties under construction	Total
Useful life (years)	3	5	3	5	50			
Cost								
Values at beginning of year	14,351	3,439	19,793	—	4,204	2,354	5,790	49,931
Additions related to business combinations (note 23)	156	55	48	—	—	—	—	259
Additions	3,547	1,083	1,353	34	2,777	—	7,120	15,914
Transfers	31	557	8,423	—	—	—	(9,011)	—
Disposals	(53)	—	—	—	—	—	—	(53)
Translation	65	(17)	106	—	—	—	—	154
Values at end of year	<u>18,097</u>	<u>5,117</u>	<u>29,723</u>	<u>34</u>	<u>6,981</u>	<u>2,354</u>	<u>3,899</u>	<u>66,205</u>
Depreciation								
Accumulated at beginning of year	8,870	2,434	12,751	—	156	—	—	24,211
Additions	2,306	725	3,162	4	93	—	—	6,290
Disposals	(3)	—	—	—	—	—	—	(3)
Translation	46	(23)	8	—	—	—	—	31
Accumulated at end of year	<u>11,219</u>	<u>3,136</u>	<u>15,921</u>	<u>4</u>	<u>249</u>	<u>—</u>	<u>—</u>	<u>30,529</u>
Carrying amount	<u>6,878</u>	<u>1,981</u>	<u>13,802</u>	<u>30</u>	<u>6,732</u>	<u>2,354</u>	<u>3,899</u>	<u>35,676</u>

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NOTE 13— INTANGIBLE ASSETS

Intangible assets as of December 31, 2017 included the following:

	Licenses and internal developments	Customer relationships	Non-compet agreement	Total
Useful life (years)	5	3 - 10	3	
Cost				
Values at beginning of year	18,591	9,634	586	28,811
Additions related to business combinations (note 23)	7	517	—	524
Additions	8,784	—	—	8,784
Translation	(1)	2	—	1
Values at end of year	<u>27,381</u>	<u>10,153</u>	<u>586</u>	<u>38,120</u>
Amortization and impairment				
Accumulated at beginning of year	11,935	2,499	586	15,020
Additions	5,391	1,684	—	7,075
Impairment loss recognised in profit or loss (note 4.12)	—	4,708	—	4,708
Translation	(1)	(47)	—	(48)
Accumulated at end of year	<u>17,325</u>	<u>8,844</u>	<u>586</u>	<u>26,755</u>
Carrying amount	<u>10,056</u>	<u>1,309</u>	<u>—</u>	<u>11,365</u>

Intangible assets as of December 31, 2016 included the following:

	Licenses and internal developments	Customer relationships	Non-compet agreement	Total
Useful life (years)	5	3 - 10	3	
Cost				
Values at beginning of year	12,611	4,334	586	17,531
Additions related to business combinations (note 23)	28	5,054	—	5,082
Additions	5,942	—	—	5,942
Translation	10	246	—	256
Values at end of year	<u>18,591</u>	<u>9,634</u>	<u>586</u>	<u>28,811</u>
Amortization				
Accumulated at beginning of year	8,229	1,507	586	10,322
Additions	3,702	926	—	4,628
Translation	4	66	—	70
Accumulated at end of year	<u>11,935</u>	<u>2,499</u>	<u>586</u>	<u>15,020</u>
Carrying amount	<u>6,656</u>	<u>7,135</u>	<u>—</u>	<u>13,791</u>

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NOTE 14 – GOODWILL

	As of December 31,	
	2017	2016
Cost		
Balance at beginning of year	65,180	32,532
Additions (note 23)	33,699	32,325
Translation	47	323
Balance at end of year	98,926	65,180

NOTE 15 – TRADE PAYABLES

	As of December 31,	
	2017	2016
Suppliers	7,258	1,951
Expenses accrual	4,382	3,652
TOTAL	11,640	5,603

NOTE 16 – PAYROLL AND SOCIAL SECURITY TAXES PAYABLE

	As of December 31,	
	2017	2016
Salaries	5,069	5,388
Social security tax	6,755	5,508
Provision for vacation and bonus	28,378	19,218
Directors fees	216	186
Other	54	28
TOTAL	40,472	30,328

NOTE 17 – BORROWINGS

	As of December 31,	
	2017	2016
Current		
Bank and financial institutions (note 25)	6,011	217
TOTAL	6,011	217

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NOTE 18 – TAX LIABILITIES

	As of December 31,	
	2017	2016
Income tax	3,328	4,813
Periodic payment plan	13	127
VAT payable	861	461
Software Promotion Law - Annual and monthly rates	231	561
Other	820	287
TOTAL	5,253	6,249

NOTE 19 – PROVISIONS FOR CONTINGENCIES

The Company is subject to legal proceedings and claims which arise in the ordinary course of its business. The Company has recorded a provision for labor and regulatory claims where the risk of loss is considered probable. The final resolution of these potential claims is not likely to have a material effect on the results of operations, cash flow or the financial position of the Company.

Breakdown of reserves for lawsuits claims and other disputed matters include the following:

	As of December 31,	
	2017	2016
Reserve for labor claims	49	138
Reserve for regulatory claims	1,130	1,807
TOTAL	1,179	1,945

Roll forward is as follows:

	As of December 31,		
	2017	2016	2015
Balance at beginning of year	1,945	650	794
Additions	527	1,343	490
Additions related to business combinations (note 23)	—	817	—
Recovery	—	(344)	(253)
Utilization of provision for contingencies	(1,320)	(400)	(91)
Foreign exchange	27	(121)	(290)
Balance at end of year	1,179	1,945	650

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NOTE 20 – ADVANCES TO ACQUIRE BUILDINGS

On December 4, 2015, our Argentine subsidiaries Sistemas Globales S.A. and IAFH Global S.A., entered into a Purchase Agreement with IRSA Inversiones y Representaciones Sociedad Anónima (“IRSA”) to acquire four floors representing approximately 4,896 square meters in a building to be constructed in a premium business zone of the City of Buenos Aires, Argentina.

In consideration for the property the subsidiaries agreed to pay IRSA the following purchase price: (i) AR\$ 180,279 on the date of signing of the purchase agreement, equivalent to 18,779 at such date; (ii) 8,567 during a three-year term beginning in June 2016; and (iii) the remaining 3,672 at the moment of transfer of the property ownership, after finalization of the building.

As explained in note 4.11, during the year 2017, the Company estimated the future use of some tax credits and concluded that the value-added tax related to the advance payments to IRSA which amounted to 1,660 will not be recoverable and were included as advances to suppliers paid to IRSA.

As of December 31, 2017 and 2016, 25,498 and 20,977 are included in these consolidated financial statements as other receivables non-current.

Additionally, during the year 2016 the Company gave other advances to acquire a building in La Plata and Tucumán, Argentina. As of December 31, 2016 2,992 are included in these consolidated financial statements as other receivables current.

NOTE 21 – RELATED PARTIES BALANCES AND TRANSACTIONS

21.1 – WPP and Other related parties

The Company provides software and consultancy services to certain WPP subsidiaries and other related parties. WPP is a shareholder of the Company. Outstanding receivable balances as of December 31, 2017 and 2016 are as follows:

	<u>As of December 31,</u>	
	<u>2017</u>	<u>2016</u>
Added Value	—	2
Grey Global Group Inc.	104	98
Group M Worldwide Inc	44	59
JWT	77	241
Kantar Operations	—	13
Kantar Retail	23	8
Mercado Libre S.R.L.	9	43
TNS	206	111
Total	<u>463</u>	<u>575</u>

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During the year ended December 31, 2017, 2016 and 2015, the Company recognized revenues for 5,590, 6,462 and 6,655, respectively, as follows:

	For the year ended December 31,		
	2017	2016	2015
Acceleration eMarketing	—	—	12
Added Value	13	790	361
Blue State Digital	—	—	41
Burson Marsteller	—	59	261
Fbiz Comunicação Ltda.	—	—	267
Geometry Global	—	—	2
Grey Global Group Inc.	1,238	1,182	1,011
Group M Worldwide Inc	521	822	868
IBOPE Argentina	—	244	6
IBOPE Pesquisa de Mídia Ltda	—	—	288
JWT	1,043	919	957
Kantar Group	791	674	282
Kantar Retail	93	93	69
Mindshare	—	—	71
Ogilvy & Mather Brasil Communication	1,677	611	—
Qualicorp	—	—	275
Rockfish Interactive Corporation	—	—	77
Tenthavenue Media ltd	—	—	69
TNS	30	579	1,086
Young & Rubicam	—	366	652
Mercado Libre S.R.L.	—	100	—
Mirum Inc.	41	—	—
Coretech	—	23	—
Total	5,590	6,462	6,655

21.2 – Loan agreement to Collokia

On May, 5, 2017, the Company and Collokia LLC, signed a loan agreement whereby the Company provides a financing facility of 100. Interest on the entire outstanding principal balance is computed at an annual rate of 2.8%. Collokia shall repay the loan in full within 18 months from the date that this agreement has been signed off. The Company has the right to convert any portion of the outstanding principal into preferred units of Collokia. As of December 31, 2017, the fair value of the loan agreement amount to 100 and is exposed as other financial assets non current.

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21.3 – Compensation of key management personnel

The remuneration of directors and other members of key management personnel during each of the three years are as follows:

	For the year ended December 31,		
	2017	2016	2015
Salaries and bonuses	4,507	4,432	4,211
Total	4,507	4,432	4,211

The remuneration of directors and key executives is determined by the Board of Directors based on the performance of individuals and market trends.

During 2015, the Company granted 30,000 and 273,000 share options at a strike price of \$22.77 and \$28.31, respectively. During 2016, the Company granted 260,000 and 82,500 share options at a strike price of \$29.01 and \$32.36, respectively. During 2017, the Company granted 12,836 and 62,162 restricted stock units at a grant price of \$34.96 and \$37.00, respectively.

NOTE 22– EMPLOYEE BENEFITS

22.1 – Share-based compensation plan

Share-based compensation expense for awards of equity instruments to employees and non-employee directors is determined based on the grant-date fair value of the awards. Fair value is calculated using Black & Scholes model.

In June 2012, the Company decided to replace its Stock Appreciation Rights ("SAR") program with a new share-based compensation program. The 2012 share-based compensation agreement was signed by the employees on June 30, 2012, considering the actual grant dates of the SARs to employees.

Each employee share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry (seven years after the effective date).

All options vested on the date of modification of the plan or all other non-vested options expire within seven years after the effective date or seven years after the period of vesting finalizes.

In July 2014, the Company adopted a new Equity Incentive Program, the 2014 Plan.

Pursuant to this plan, on July 18, 2014, the first trading day of the Company common shares on the NYSE, the Company made the annual grants for 2014 Plan to certain of the executive officers and other employees. The grants included share options with a vesting period of 4 years, becoming exercisable a 25% of the options on each anniversary of the grant date through the fourth anniversary of the grant. Share-based compensation expense for awards of equity instruments is determined based on the fair value of the awards at the grant date.

Each employee share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry (ten years after the effective date).

Under this share-based compensation plan, during the year 2017 and 2016, other share-based compensation agreements were signed for a total of 85,000 and 1,003,250 options granted, respectively.

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During the year 2017, as part of the 2014 Equity Incentive Plan, the Company granted awards to certain employees in the form of Restricted Stock Units ("RSUs"), having a par value of \$1.20 each, with a specific period of vesting. Each RSU is equivalent in value to one share of the company's common stock and represents the Company's commitment to issue one share of the Company's common stock at a future date, subject to the term of the RSU agreement.

Until the RSUs vest, they are an unfunded promise to issue shares of stock to the recipient at some point in the future. The RSUs carry neither rights to dividends nor voting rights. RSU's vesting is subject to the condition that the employee must remain in such condition at of the vesting date.

The Company may determine a percentage of RSU, as part of the full year compensation package payment.

These RSUs agreements have been recorded as Equity Settled transactions in accordance to IFRS 2, and they were measured at fair value of shares at the grant date.

The following shows the evolution of the share options for the years ended at December 31, 2017 and 2016:

	<u>As of December 31, 2017</u>		<u>As of December 31, 2016</u>	
	<u>Number of options</u>	<u>Weighted average exercise price</u>	<u>Number of options</u>	<u>Weighted average exercise price</u>
Balance at the beginning of year	2,658,595	22.21	1,933,239	15.40
Options granted during the year	85,000	39.69	1,003,250	31.89
Forfeited during the year	(249,035)	30.08	(33,979)	25.75
Exercised during the year	(338,709)	15.63	(243,915)	7.64
Balance at end of year	<u>2,155,851</u>	<u>23.02</u>	<u>2,658,595</u>	<u>22.21</u>

The following shows the evolution of the RSUs for the year ended at December 31, 2017:

	<u>As of December 31, 2017</u>	
	<u>Number of RSU</u>	<u>Weighted average grant price</u>
Balance at the beginning of year	—	—
RSU granted during the year	254,328	37.07
Forfeited during the year	(2,538)	36.59
Issued during the year	(86,931)	36.11
Balance at end of year	<u>164,859</u>	<u>37.58</u>

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The following tables summarizes the RSU at the end of the year:

<u>Grant date</u>	<u>Grant Price (\$)</u>	<u>Number of Restricted Stock Units</u>	<u>Fair value at grant date (\$)</u>	<u>Expense as of December 31, 2017 (\$)</u>
2017	34.96	—	—	1,476
	36.30	2,000	73	3
	37.00	143,188	5,298	2,766
	42.00	9,000	378	101
	43.42	8,000	347	34
Subtotal		162,188	6,096	4,380
Non employees stock options				
2017	37.44	2,671	100	63
Subtotal		2,671	100	63
Total		164,859	6,196	4,443

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The following tables summarizes the share options at the end of the year:

<u>Grant date</u>	<u>Exercise price (\$)</u>	<u>Number of stock options</u>	<u>Number of stock options vested as of December 31, 2017</u>	<u>Fair value at grant date (\$)</u>	<u>Fair value vested (\$)</u>	<u>Expense as of December 31, 2017 (*)</u>
2006	0.95	11,003	11,003	60	60	—
2007	0.71	200,000	200,000	1,135	1,135	—
	1.40	616	616	3	3	8
2010	2.48	3,097	3,097	12	12	14
	2.93	—	—	—	—	—
	3.38	32,955	32,955	109	109	144
2011	2.71	6,031	6,031	23	23	202
2012	6.77	—	—	—	—	12
	7.04	—	—	—	—	37
2013	12.22	24,999	24,999	65	65	—
2014	10.00	350,517	226,651	1,166	754	881
	13.20	3,769	1,648	8	3	15
2015	22.77	30,000	20,000	221	147	74
	28.31	490,275	195,800	3,398	1,357	1,160
	29.34	18,454	14,868	125	100	29
	34.20	16,500	8,250	142	71	35
2016	29.01	241,250	46,250	1,663	319	477
	32.36	547,875	133,688	4,438	1,083	1,118
2017	36.30	15,000	—	127	—	4
	38.16	40,000	—	364	—	23
	43.42	30,000	—	311	—	30
Subtotal		2,062,341	925,856	13,370	5,241	4,263
Non employees stock options						
2012	6.77	22,170	22,170	35	35	—
2013	12.22	22,170	22,170	52	52	—
2014	10.00	22,170	22,170	43	43	—
2016	39.37	27,000	6,750	248	62	62
Subtotal		93,510	73,260	378	192	62
Total		2,155,851	999,116	13,748	5,433	4,325

(*) Includes social security taxes.

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Deferred income tax asset arising from the recognition of the share-based compensation plan amounted to 5,772 and 4,919 for the years ended December 31, 2017 and 2016, respectively.

22.2 - Share options exercised and RSU vested during the year:

	As of December 31, 2017		As of December 31, 2016	
	Number of options exercised	Exercise price	Number of options exercised	Exercise price
Granted in 2006	4,600	0.95	3,196	0.95
Granted in 2007	—	0.71	36,538	0.71
Granted in 2007	800	1.40	6,321	1.40
Granted in 2010	1,623	2.48	3,295	2.48
Granted in 2010	—	2.93	1,402	2.93
Granted in 2010	22,377	3.38	39,142	3.38
Granted in 2011	26,194	2.71	60,000	2.71
Granted in 2012	1,651	6.77	2,000	6.77
Granted in 2012	3,991	7.04	13,191	7.04
Granted in 2013	2,395	14.40	—	0.00
Granted in 2014	149,337	10.00	42,645	10.00
Granted in 2014	1,918	13.20	2,901	13.20
Granted in 2015	90,787	28.31	30,465	28.31
Granted in 2015	9,911	29.34	2,819	29.34
Granted in 2016	18,750	29.01	—	—
Granted in 2016	4,375	32.36	—	—
Balance at end of the year	338,709		243,915	

The average market price of the share amounted to 38.77 and 36.77 for year 2017 and 2016, respectively.

The following tables summarizes the RSU vested during the year 2017:

	As of December 31, 2017	
	Number of RSUs vested	Grant price
Granted in 2017	37,546	34.96
Granted in 2017	49,385	37.00
Balance at end of the year	86,931	

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22.3 - Fair value of share-based compensation granted

Determining the fair value of the stock-based awards at the grant date requires judgment. The Company calculated the fair value of each option award on the grant date using the Black-Scholes option pricing model. The Black-Scholes model requires the input of highly subjective assumptions, including the fair value of the Company's shares, expected volatility, expected term, risk-free interest rate and dividend yield.

The Company estimated the following assumptions for the calculation of the fair value of the share options:

Assumptions	Granted in 2017 for 2014 plan	Granted in 2016 for 2014 plan	Granted in 2015 for 2014 plan
Stock price	39.69	31.89	28.29
Expected option life	6 years	6 years	6 years
Volatility	19%	20%	20%
Risk-free interest rate	2.00%	1.95%	1.76%

See Note 4 for a description of the assumptions.

NOTE 23 – BUSINESS COMBINATIONS

23.1 Acquisition of Huddle Group

On October 11, 2013, the Company entered into a Stock Purchase Agreement to purchase 86.25% of the capital interests of Huddle Investment LLP, a company organized and existing under the laws of England ("Huddle UK"). Huddle UK owned, directly or indirectly, 100% of the capital stock and voting rights of the following subsidiaries: Huddle Group S.A., a corporation (*sociedad anónima*) organized and existing under the laws of the Republic of Argentina; Huddle Group S.A., a corporation (*sociedad anónima*) organized and existing under the laws of the Republic of Chile; and Huddle Group Corp., a corporation organized and existing under the laws of the State of Washington.

The aggregate purchase price under the Stock Purchase Agreement was 8,395. Such purchase price was payable to the Sellers in seven installments. Such payments were made as follows:

- On October 21, 2013 and November 4, 2013, the Company paid a total of 3,436 including interest.
- Second installment: On April 21, 2014, the Company paid a total of 2,156, including interests.
- Third installment: Based on the gross revenue and gross profit achieved by the Huddle Group for the year 2013, the Company paid on April 22, 2014, 861.
- Fourth installment: On October 25, 2014, the Company paid 870, including interests.
- Fifth installment: On April 2, 2015, the Company paid 647, including interests.
- Sixth installment: On March 31, 2016, the Company paid 187, including interests.
- The seventh installment of 115 shall be paid no later than the fifth anniversary date of Closing Date.

The consideration transferred for Huddle Group acquisition was calculated as follows:

Purchase price	Amount
Down payment	3,019
Installment payment	5,117 ^{(a)(b)}
Total consideration	8,136

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- (a) Net present value of future installment payments including interest.
- (b) The outstanding balance as of December 31, 2017 and 2016 amounted to 110 and 104, respectively, including interest; classified 110 as current as of December 31, 2017 and 104 as non-current other financial liabilities as of December 31, 2016.

Minority interest purchase agreement

On October 11, 2013, the Company entered into a Stock Purchase Agreement to purchase an additional 13.75% of the capital interests of Huddle UK, which was amended on October 23, 2014. The consideration for the purchase of the minority interest amounted to 650 and was payable in three installments. Such payments were made as follows:

- First installment: the amount of 100 was paid on October 23, 2014.
- Second installment: the amount of 225 was paid on February 28, 2015.
- Third installment: On January 22, 2016, the Company granted 11,213 treasury shares at a price of \$27.2 per share to Mr. Spitz to cancel the remaining liability of 305. The Company withholds the remaining amount of 20 as an escrow till October 23, 2018.

As a consequence of this amendment, the call and put option explained above were recalled and the Company increased its percentage of shares in Huddle UK to 100%. The carrying amount of the non-controlling interest was adjusted to reflect this transaction. The difference between the amount by which the non-controlling interest was adjusted, and the fair value of the consideration paid was recognized directly in equity and attributed to the owners of the parent.

23.2 Acquisition of Clarice Technologies

On May 14, 2015 ("closing date"), Globant España S.A. acquired Clarice Technologies PVT, Ltd ("Clarice"), a company organized and existing under the laws of India. Clarice is an innovative software product development services company that offers product engineering and user experience (UX) services and has operations in the United States and India. As of the closing date, the total headcount of Clarice was 337 employees distributed in India and United States. The purpose of the acquisition is related to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Clarice.

On August 5, 2015 the Company changed the legal name of Clarice to Globant India Private Limited ("Globant India").

The aggregate purchase price under the Stock Purchase Agreement ("SPA") amounted to 20,184.

On May 16, 2017, the Company signed an amendment to the SPA. Based on this amendment, purchase price may be subject to adjustments based on the future performance of Clarice and was payable to the sellers as follows:

1. **First Closing:** As of the closing date, the sellers transferred 10,200 shares representing 76.13% of the shares to the Company for an aggregate consideration of 9,324 paid by the Company to the sellers on May 14, 2015.
2. **Staggered Acquisition:** The remaining 23.87% of the shares shall be transferred to the Company and the remaining purchase price shall be paid to each of the Sellers in three tranches, in the following manner, provided that the remaining purchase price paid out to each of the sellers shall be the higher of the following:

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2.1 Fair Market Value of such shares, calculated in accordance with the methodology prescribed by the Reserve Bank of India by an appointed chartered accountant; or

2.2 The consideration as detailed below:

2.2.1 The second share transfer tranche, comprising 1,249 shares representing 9.32% of the shares of Globant India was transferred by the sellers to the Company on July 15, 2016. Based on the revenue and gross profit achieved by Globant India for the period between May 15, 2015 and May 15, 2016, the Company paid on July 15, 2016, 4,208 and recognized as of December 31, 2016 a gain of 418 arisen on the remeasurement of the liability, included in "Other income and expense, net".

2.2.2 The third Share transfer tranche, comprising 920 of the shares representing 6.87% of the shares of Globant India, was transferred by the sellers to the Company on March, 2018. Based on the targets achieved by Globant India for the period between January 1, 2017 and December 31, 2017, the Company paid on March 2018, 3,128.

2.2.3 The fourth share transfer tranche comprising the transfer of 550 shares representing 4.11% of the shares of Globant India shall be transferred by the sellers to the Company no later than on January 31, 2019, in consideration for payment of the minimum share price for such shares, defined as 916.77 per share for this tranche, plus an amount of 1,754, subject to the achievement of certain capacity target by Clarice.

2.2.4 The fifth share transfer tranche comprising the transfer of 277 shares representing 2.07% of the shares of Globant India shall be transferred by the sellers to the Company no later than on January 31, 2020, in consideration for payment of the minimum share price for such shares, defined as 970.78 per share for this tranche, plus an amount of 877, subject to the achievement of certain capacity target by Globant India.

All financial targets and capacity targets payments shall be subject to the condition that sellers who were employee of Globant India at the date of acquisition, remain as employee of Globant India or any associated entity of the Company on the due date of such payment.

The Company has concluded that as in the same SPA all parties have agreed the transfer of the 100% of the shares of Clarice in different stages, the transaction should be considered as one, and therefore the Company has accounted the acquisition for the 100% of the shares of Clarice and the consideration involved is the sum of the amount paid at closing date and the installments payables in years 2016, 2017, 2018, 2019 and 2020.

The consideration transferred for Clarice acquisition was calculated as follows:

Purchase price	Amount
Down payment	9,324
Installment payment	2,483(a)
Contingent consideration	8,377(a)
Total consideration	20,184

(a) As of December 31, 2017 and 2016 included 3,119 and 4,446 as Other financial liabilities current, and 4,497 and 2,408 as Other financial liabilities non-current, respectively.

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On February 23, 2017, the Company signed an amendment of the SPA with one of the shareholders where they agreed on the acquisition of the shares held by the employee for an amount of 600 and the termination of the employment agreement.

As a consequence of the amendments to the SPA and remeasurement of the fair value of the contingent considerations, the Company recorded a loss of 1,173 and a gain of 418 as of December 31, 2017 and 2016, respectively.

Clarice sellers' subscription agreement

On May 14, 2015, the Company signed two agreements whereas agreed to issue to the subscribers, as detailed below, and the subscribers agree to subscribe from the Company the number of shares set forth below:

First agreement

First tranche

The first tranche for 38,984 common shares were subscribed by two employees and their spouses for a total amount of 800.

Second and third tranches

Regarding second tranche, on July 25, 2016, the Company issued 20,896 common shares for an amount of 800.

Regarding the third tranche, the Company will issue additional shares at a price equal to the volume weighted average trading price ("VWAP") (derived from the trading price of the shares as quoted in the NYSE) for the 60-trading period ending on the second trading day prior to the third tranche issue date. Such numbers of shares will be allocated among the subscribers in the proportion in which they were allocated in the First tranche. The number of the third Tranche shares to be issued to each of the subscribers shall be the lower of (i) 80% of the maximum amount of shares that such subscriber is eligible to purchase under applicable law and (ii) the quotient obtained by dividing 200 by the third tranche 60-day VWAP.

Total estimated amount is 800 for third tranche.

Second agreement

First tranche

The first tranche for 4,873 common shares was subscribed by one employee for a total amount of 100.

Second and third tranches

Regarding second tranche, on July 25, 2016, the Company issued 2,612 common shares for an amount of 100.

Based on the amendment to the SPA signed on February 23, 2017, third tranche was canceled and no shares were issued.

As of December 31, 2016, 23,508 shares were issued for a total amount of 900.

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Both agreements are forward contracts to issue and sell a variable number of shares for a fixed amount of cash, thus according to IAS 32, the Company recorded a financial liability and a financial asset for the shares to be issued and the payment to be received, respectively, for an amount of 800 and 900 as of December 31, 2017 and 2016, respectively.

23.3 Acquisition of Dynaflows

On October 22, 2015, the Company acquired from Alfonso Amat, Wayra Argentina S.A., BDCINE S.R.L., Laura A. Muchnik, Facundo Bertranou, Mora Amat and Fabio Paliuff (jointly "the Sellers") 9,014 shares, which represents 38.5% of the capital stock of Dynaflows S.A. Before this acquisition, the Company had 22.7% of the capital stock of Dynaflows and classified it as investment in associates. Through this transaction, the Company gained the control of Dynaflows S.A. As a consequence, the Company accounted for this acquisition in accordance with IFRS 3 as a business combination achieved in stages and as such, the Company remeasured its previously held equity interest in Dynaflows at its acquisition date fair value and recognize the resulting gain for an amount of 625 in Other income and expense, net.

The aggregate purchase price under the Stock Purchase Agreement ("SPA") amounted to ARS 13,316 (1,402) and 414, payable in two installments, as following:

- The first installment amounted to ARS 13,316 (1,402) paid at the closing date.
- The second installment amounted to 414 paid on April 22, 2016.

On the same date, the Company made a capital contribution of 868 (ARS 8,250) to Dynaflows by issuing 9,190 shares.

After both agreements and considering the previous equity interest held by the Company of 22.7%, the Company holds the 66.73% of participation in Dynaflows.

The consideration transferred for Dynaflows acquisition was calculated as follows:

Purchase price	Amount
Down payment	1,402
Installment payment	414
Total consideration	1,816(a)

(a) As of December 31, 2017 and 2016 the consideration was fully settled.

Minority interest purchase agreement

On October 22, 2015, the Company entered into a Shareholders Agreement (the "Minority Interest SHA") with Alfonso Amat and Mora Amat (the "non-controlling shareholders") to agree on a put option over the 33.27% of the remaining interest of Dynaflows effective on the third or fifth anniversary from the date of acquisition, pursuant to which the non-controlling shareholders shall have the right (the "Put Option") to sell and the Company shall purchase all, but not less than all the shareholder's non-controlling interest. The aggregate purchase price to be paid by the Company upon exercise of the Put Option shall be equal to the price resulting from valuing the Company at the following:

In case the put option is exercised in the third anniversary, 50% of the total of: 1) eight (8) times EBITDA multiplied by 0.50 according to the Company's most recent audited annual financial statements at the time of the delivery of such exercise of the Put Option; plus 2) four (4) times Revenue multiplied by 0.50 according to the Company's most recent audited annual financial statements at the time of the delivery of such exercise of the Put Option;

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In case the put option is exercised in the fifth anniversary, the total of: 1) eight (8) times EBITDA multiplied by 0.50 according to the Company's most recent audited annual financial statements at the time of the delivery of such exercise of the Put Option; plus 2) four (4) times Revenue multiplied by 0.50 according to the Company's most recent audited annual financial statements at the time of the delivery of such exercise of the Put Option;

The Company implemented the IFRIC Interpretation DI/2012/2 "Put Options Written on Non-controlling Interests" issued in May 2012 that requires a financial liability initially measured at the present value of the redemption amount in the parent's consolidated financial statements for written puts on non-controlling interest. Subsequently, the financial liability is measured in accordance with IAS 39.

As of December 31, 2017 and 2016, the Company has recognized as non-current other financial liabilities the written put option for an amount of 2,797 and 4,388, respectively equal to the present value of the amount that could be required to be paid to the counterparty discounted at an interest rate of 3.5%. Changes in the measurement of the gross obligation are recognized in profit or loss.

Pursuant to the shareholder's agreement, the Company also agreed on a call option over non-controlling interest effective after the fifth anniversary from the closing date till the sixth anniversary from the closing date pursuant to which the Company shall have the right to purchase and the non-controlling interest shareholders shall sell all but not less than all the shareholder's non-controlling interest then owned by the non-controlling shareholders. The Company calculated the fair value of call option on the grant date using the Black-Scholes option pricing model. The Black-Scholes model requires the input of highly subjective assumptions, including the maturity, exercise price, spot, risk-free and standard deviation. See Note 4 for a description of the assumptions.

As of December 31, 2017 and 2016, the Company has accounted for the call option at its fair value of 455 and 319 in a similar way to a call option over an entity's own equity shares and the initial fair value of the option was recognized in equity.

23.4 Acquisition of WAE

On May 23, 2016 (closing date), Globant España S.A. acquired 100% of shares of We Are London Limited (WAE UK), a company organized and existing under the laws of England and Wales and 100% of shares of We Are Experience, Inc. a corporation organized and existing under the Laws of the State of New York, United States (WAE US) (jointly WAE UK and WAE US are WAE). WAE is a service design consultancy, specialized in three distinct but complementary service offerings - Research, Strategy and Creative. Total headcount of WAE was 40 employees with operations in United States and United Kingdom. The purpose of the acquisition is related to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of WAE.

The aggregate purchase price under the Stock Purchase Agreement (SPA) amounted to 19,851, of which 12,131 relates to WAE UK and 7,720 relates to WAE US. Such purchase price may be subject to adjustments based on the future performance of WAE and is payable to the sellers as follows:

1. Up-front payment: As of the closing date, the Company paid an aggregate consideration of 8,500 to the sellers.
2. First earn-out payment: On August 16, 2017, the Company paid an amount of 5,000 to the sellers.

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3. **Second earn-out payment:** Not later than August 20, 2018, the amount of 5,000, provided that such amount shall be reduced in proportion to the percentage of revenue and gross profit achievement by WAE during the period commencing on June 1, 2017 and ending on May 31, 2018.

Additionally, the Company shall pay to the sellers an amount of 575 in cash on the first earn-out payment date and/or the second earn-out payment date related to the corporation tax saved by WAE UK prior to such date as a result of any deduction obtained under income tax law applicable to United Kingdom attributable to the exercise of the stock options plan granted by WAE UK to the option holders. This amount is considered by the Company as part of the consideration amount. On October 2017, the Company paid 436 in cash related to the corporation tax saved to be reimbursed to the sellers.

Finally, as part of the total consideration the Company computed the working capital adjustment defined in the SPA. Total adjustment amounted to 1,357.

Acquisition-related charges amounting to 515 have been excluded from the consideration transferred and have been recognized as an expense in profit or loss in the current year, within the Professional services line item.

The fair value of the consideration transferred for WAE acquisition at the acquisition date was calculated as follows:

Purchase price	Amount
Down payment	8,500
Working capital adjustment	1,352
Installment payment	551(a)
Contingent consideration	9,448(a)
Total consideration	19,851

(a) As of December 31, 2017 and 2016 included 924 and 5,457, respectively, as Other financial liabilities current and 4,735 as Other financial liabilities non-current as of December 31, 2016.

23.5 Acquisition of Difier

On November 14, 2016, the Company entered into a Stock Purchase Agreement ("SPA") with 3Cinteractive corp. ("3C") to purchase the 100% of the capital stock of Difier S.A., a Uruguayan company ("Difier"). Difier is engaged in the business of providing information technology support services to 3C, who has been and remains the only customer of Difier.

The aggregate purchase price under the SPA amounted to 25 and was paid as of the closing date. Jointly with this SPA, the Company signed with 3C a consulting services agreement representing a customer relationship, to provide software services in the United States and other jurisdictions for the following four years. The fair value of this agreement was recognized as an intangible asset as of the date of acquisition for an amount of 652, which originated a gain for a bargain business combination of 225 included in "Other income and expenses, net" as of December 31, 2016.

Acquisition related expenses were not material and were recognized directly as expense.

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23.6 Acquisition of L4

On November 14, 2016 ("closing date"), Globant LLC acquired 100% of shares of L4 Mobile, LLC ("L4"), a limited liability company organized and existing under the laws of the State of Washington, United States. L4 offers the digital product consulting, design, development and quality assurance services necessary to build and manage robust digital products. Total headcount of L4 was 90 employees with operations in United States. The purpose of the acquisition is related to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of L4.

The aggregate purchase price under the Stock Purchase Agreement ("SPA") amounted to 20,388.

On January 30, 2018, the Company signed an amendment to the SPA. Considering this amendment, purchase price may be subject to adjustments based on the future performance of L4 and is payable to the seller as follows:

Up-front payment: As of the closing date, the Company paid an aggregate consideration of 11,000 to the seller.

1. First earn-out payment: On February 15, 2017, the Company paid an aggregate consideration of 990 to the sellers.
2. Second earn-out payment: On February 15, 2018, the Company paid an aggregate consideration of 1,850.
3. Third earn-out payment: Not later than February 15, 2019, the amount of 1,160, provided that such amount shall be reduced in proportion to the percentage of revenue and gross profit achievement by L4 during the period commencing on January 1, 2018 and ending on December 31, 2018.
4. Forth earn-out payment: Not later than February 15, 2020, the amount of 1,160, provided that such amount shall be reduced in proportion to the percentage of revenue and gross profit achievement by L4 during the period commencing on January 1, 2019 and ending on December 31, 2019.

The fair value of the consideration transferred for L4 acquisition at the acquisition date was calculated as follows:

<u>Purchase price</u>	<u>Amount</u>
Down payment	11,000
Working capital adjustment	817(a)
Contingent consideration	8,571(a)
Total consideration	<u>20,388</u>

(a) As of December 31, 2017 and 2016 included 1,845 and 1,799, respectively, as Other financial liabilities current and 1,803 and 7,589 as Other financial liabilities non-current, respectively.

Acquisition related expenses were not material and were recognized directly as expense.

23.7 Acquisition of Ratio

On February 28, 2017, Globant LLC acquired 100% of shares of Ratio Cypress, LLC ("Ratio"), a limited liability company organized and existing under the laws of the State of Washington, United States. Ratio offers design, development and quality assurance services necessary to build and manage robust digital products and video streaming solutions for major media companies. Total headcount of Ratio was 45 employees with operations in United States.

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The purpose of the acquisition is related to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Ratio.

The aggregate purchase price under the Stock Purchase Agreement ("SPA"), amended on March 2, 2018, amounted to 9,529. Such purchase price may be subject to adjustments based on the future performance of Ratio and is payable to the seller as follows:

1. Up-front payment: As of the closing date, the Company paid an aggregate consideration of 5,800 to the seller.
2. First earn-out payment: On February 15, 2018, the Company paid the aggregate consideration 1,669 to the sellers.
3. Second earn-out payment: Not later than February 15, 2019, the amount of 1,500, considering the financial targets achievement by Ratio during the period commencing on January 1, 2018 and ending on December 31, 2018.
4. Third earn-out payment: Not later than February 15, 2020, the amount of 750, considering the financial targets achievement by Ratio during the period commencing on January 1, 2019 and ending on December 31, 2019.

The fair value of the consideration transferred for Ratio acquisition was calculated as follows:

Purchase price at acquisition date	Amount
Down payment	5,800
Working capital adjustment	(97)
Contingent consideration	3,826(a)
Total consideration	9,529

(a) As of December 31, 2017 included 1,666 and 2,216 as Other financial liabilities current and non-current, respectively.

Acquisition related expenses were not material and were recognized directly as expense for each period.

23. 8 Acquisition of PointSource

On June 1, 2017, Globant LLC acquired 100% of shares of PointSource, LLC ("PointSource"), a limited liability company organized and existing under the laws of the State of Florida, United States. PointSource offers digital solutions to its customers which include design, digital strategy, development and marketing services. Total headcount of PointSource was 97 employees with operations in United States.

The purpose of the acquisition is related to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of PointSource.

The aggregate purchase price under the Stock Purchase Agreement ("SPA") amounted to 28,629. Such purchase price may be subject to adjustments based on the future performance of PointSource and is payable to the seller as follows:

1. Up-front payment: The Company paid the first payment of 15,500 in two installments:
 - a. As of the closing date, the Company paid an aggregate consideration of 3,100 to the seller.
 - b. On June 7, 2017, the Company paid the second portion of the first payment for a total amount of 12,400.

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2. **First earn-out payment:** On February 22, 2018, the Company paid the aggregate consideration of 2,206 to the sellers.
3. **Second earn-out payment:** Not later than February 28, 2019, the amount of 4,275, considering the financial targets achievement by PointSource during the period commencing on January 1, 2018 and ending on December 31, 2018.
4. **Third earn-out payment:** Not later than February 29, 2020, the amount of 4,525, considering the financial targets achievement by PointSource during the period commencing on January 1, 2019 and ending on December 31, 2019.

Additionally, as part of the total consideration the Company computed the working capital adjustment for a total amount of 3,756.

Equity purchase agreement

On June 1, 2017, the Company signed an equity purchase agreement to have the option to acquire the 100% of the shares of PointSource Limited Liability Company (PS Belarus), a company established in accordance with the laws of the Republic of Belarus and totally owned by Christopher L. Hugill, Chief Executive Officer (CEO) of PointSource.

Additionally, PointSource and PS Belarus are parties in a subcontractor agreement, dated as of July 1, 2015, pursuant to which PS Belarus performs services to PointSource as an independent contractor. Considering that the Company owned 100% of PointSource which is the only customer of PS Belarus and that the CEO of PointSource is the wholly-owned shareholder of PS Belarus, the Company concluded that has the control over PS Belarus and has to consolidated in 100% as the following factors are met:

- (a) PointSource has power over PS Belarus;
- (b) PointSource has the ability to use its power over PS Belarus to affect the amounts of its return as it is the only customer.

The fair value of the consideration transferred for PointSource acquisition was calculated as follows:

Purchase price at acquisition date	Amount
Down payment	15,500
Working capital adjustment	3,756
Contingent consideration	9,373(a)
Total consideration	<u>28,629</u>

- (a) As of December 31, 2017 included 2,200 and 7,261 as Other financial liabilities current and non-current, respectively.

Acquisition related expenses were not material and were recognized directly as expense for each period.

23.9 Outstanding balances

Outstanding balances of financial liabilities related to the abovementioned acquisitions as of December 31, 2017 and 2016 are as follows:

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	As of December 31, 2017		As of December 31, 2016	
	Other financial liabilities - current	Other financial liabilities - non current	Other financial liabilities - current	Other financial liabilities - non current
Huddle Group	110	—	—	104
Clarice	3,119	4,497	4,446	2,408
Subscription agreement	800	—	900	—
Put option on minority interest of Dynaflo	—	2,797	—	4,388
WAE	924	—	5,457	4,735
L4	1,845	1,803	1,799	7,589
Ratio	1,666	2,216	—	—
PointSource	2,200	7,261	—	—
Total	10,664	18,574	12,602	19,224

The significant inputs are disclosed in note 27.10.1.

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23.10 Purchase Price Allocation

As of December 31, 2017 and 2016, fair values of the assets acquired, liabilities assumed and goodwill or bargain gain determined at the date of acquisition in the business combinations are as follows:

	For the year ended December 31,	
	2017	2016
Current Assets		
Cash and cash equivalents	2,151	2,941
Investments	5	—
Trade receivables	3,170	5,748
Other receivables	2,893	1,752
Non current assets		
Property and equipment	192	259
Intangibles	524	5,082
Deferred tax	—	562
Other receivables	151	530
Goodwill ⁽¹⁾	33,699	32,325
Current liabilities		
Trade and other payables	(3,310)	(4,504)
Tax liabilities	(22)	(1,883)
Payroll and social security	(1,295)	(1,234)
Other liabilities	—	(22)
Non current liabilities		
Provision for contingencies ⁽²⁾	—	(817)
Borrowings	—	(250)
Gain from bargain business combination ⁽³⁾	—	(225)
Total consideration	38,158	40,264

(1) As of December 31, 2017 and 2016, 33,699 and 16,124, respectively, are deductible for tax purposes. As of December 31, 2016, 16,201 is not deductible for tax purposes.

(2) Includes provision for contingencies from Difier S.A. related to potential regulatory claims.

(3) As the total amount paid for Difier S.A. is less than the fair value of the assets and liabilities recognized at the date of acquisition, the Company has recorded a gain from bargain business combination.

Goodwill has arisen in the acquisition of Ratio and PointSource because the cost of the equity interest acquired included a control premium. In addition, the consideration paid for this acquisition effectively included amounts in relation to the benefit of expected synergies, revenue growth, customer relationships, future market development and the assembled workforce of acquired companies. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

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Goodwill arose in the acquisition of WAE and L4 because the cost of the equity interests acquired included control premium. In addition, the consideration paid for these acquisitions effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of acquired companies. Only the customer relationships are recognized as intangible. The other benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

The fair values of the receivables acquired do not differ from their gross contractual amount.

Acquisition related expenses were not material and were recognized directly as expense for each period.

23.11 Impact of acquisitions on the results of the Company

The net income for the year ended December 31, 2015 includes a gain of 1,623 attributable to the business generated by Clarice. Revenue for the year ended December 31, 2015 includes 7,084 related to the business of that company. Had the business combination been effected at January 1, 2015, the consolidated revenue of the Company would have been 263,393 and the net profit for the year ended December 31, 2015 would have been 33,890.

The net income for the year ended December 31, 2015 includes a loss of 98 attributable to the business generated by Dynaflo. Revenue for the year ended December 31, 2015 includes 194 related to the business of that company. Had the business combination been effected at January 1, 2015, the consolidated revenue of the Company would have been 254,382 and the net profit for the year ended December 31, 2015 would have been 31,471.

Had the two business combinations made in 2015, as described above, been performed on January 1, 2015, the consolidated revenue of the Company would have been 263,979 and the net profit for the year ended December 31, 2016 would have been 33,471.

The net income for the year ended December 31, 2016 includes 2,312 attributable to the business generated by WAE. Revenue for the year ended December 31, 2016 includes 7,475 related to the business of that company. Had the business combination been effected at January 1, 2016, the consolidated revenue of the Company would have been 326,175 and the net profit for the year ended December 31, 2016 would have been 35,739.

The net income for the year ended December 31, 2016 includes a loss of 7 attributable to the business generated by Difier. Revenue for the year ended December 31, 2016 includes 444 related to the business of that company. Had the business combination been effected at January 1, 2016, the consolidated revenue of the Company would have been 324,229 and the net profit for the year ended December 31, 2016 would have been 36,095.

The net income for the year ended December 31, 2016 includes a gain of 823 attributable to the business generated by L4. Revenue for the year ended December 31, 2016 includes 3,422 related to the business of that company. Had the business combination been effected at January 1, 2016, the consolidated revenue of the Company would have been 335,307 and the net profit for the year ended December 31, 2016 would have been 37,014.

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Had the three business combinations made in 2016, as described above, been performed on January 1, 2016, the consolidated revenue of the Company would have been 339,999 and the net profit for the year ended December 31, 2016 would have been 35,354.

Directors consider these "pro-forma" numbers to represent an approximate measure of the performance of the Company on an annualized basis and to provide a reference point for comparison in future periods.

The net income for the year ended December 31, 2017 includes a gain of 812 and 383 attributable to the business generated by Ratio and Pointsource, respectively, determined based on the information available as of June 30, 2017. Revenue for the year ended December 31, 2017 includes 4,188 and 2,108 related to the business of Ratio and Pointsource, respectively, computed also with the information available as of June 30, 2017. Since then, the business of the two entities were fully integrated within the business of our subsidiary Globant LLC; furthermore, during the last semester of 2017 both entities were formally merged into our subsidiary Globant LLC. Consequently, it has not been possible to determine a reasonable estimate of the total amounts related to the revenue and net income attributable to the separate businesses of Ratio and Pointsource for the full year included in the consolidated income for the year ended December 31, 2017.

NOTE 24 – SEGMENT INFORMATION

Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision-maker ("CODM") in deciding on how to allocate resources and in assessing performance. The Company's CODM is considered to be the Company's chief executive officer ("CEO"). The CEO reviews financial information presented on an entity level basis for purposes of making operating decisions and assessing financial performance. Therefore, the Company has determined that it operates in a single operating and reportable segment.

The Company provides services related to application development, testing, infrastructure management and application maintenance.

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The following table summarizes revenues by geography:

	For the year ended December 31,		
	2017	2016	2015
North America			
United States of America	322,658	258,388	208,203
Canada	2,956	2,535	4,209
<i>Subtotal North America</i>	<u>325,614</u>	<u>260,923</u>	<u>212,412</u>
Europe			
Spain	23,831	12,929	3,671
Ireland	—	165	1,787
United Kingdom	9,996	10,305	6,468
Luxembourg	1,000	961	205
Germany	1,540	2,478	698
Sweden	1,317	1,251	250
Italy	—	718	40
Others	800	499	389
<i>Subtotal Europe</i>	<u>38,484</u>	<u>29,306</u>	<u>13,508</u>
Asia			
India	673	1,132	1,392
Japan	—	—	42
Others	27	133	—
<i>Subtotal Asia</i>	<u>700</u>	<u>1,265</u>	<u>1,434</u>
Latin America and others			
Argentina	14,886	10,216	7,574
Brazil	358	2,344	2,084
Colombia	3,553	3,177	1,436
Chile	19,243	13,425	12,424
Uruguay	231	84	1,184
Mexico	7,418	966	964
Perú	2,627	852	76
Others	325	298	700
<i>Subtotal Latin America and others</i>	<u>48,641</u>	<u>31,362</u>	<u>26,442</u>
TOTAL	<u>413,439</u>	<u>322,856</u>	<u>253,796</u>

One single customer accounted for 10.2% and 12.3% of revenues for the years ended December 31, 2017 and 2015. However, no single customer accounted for 10% or more of revenues for the year ended December 31, 2016.

The following table summarizes non-current assets other than deferred taxes as stated in IFRS 8, paragraph 33.b, by jurisdiction:

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	As of December 31,	
	2017	2016
Argentina	69,511	59,595
Spain	38,454	38,825
United States of America	57,071	22,087
Brazil	1,870	2,652
Uruguay	555	722
Luxembourg	5,316	5,568
Colombia	7,997	4,976
México	3,460	4,101
India	2,206	3,258
Chile	1,037	971
Other countries	534	476
TOTAL	188,011	143,231

NOTE 25 – BORROWINGS

25.1 – Bank and financial institutions

The principal balances of outstanding borrowings under lines of credit with banks and financial institutions were as follows:

	As of December 31,	
	2017	2016
HSBC Bank (Argentina)	—	38
Banco Santander Rio (Argentina)	4	118
HSBC Bank and Citibank - Syndicated loan (United States)	6,007	—
Financial institution - Leasing (Uruguay)	—	61
TOTAL	6,011	217

Such balances were included as current borrowings in the consolidated statement of financial position.

On August 3, 2017, Globant LLC, our U.S. subsidiary, entered into a secured revolving credit facility with HSBC Bank USA, N.A. and Citibank N.A., with HSBC Bank USA, N.A. acting as administrative agent. Under this credit facility, Globant LLC may borrow up to \$40.0 million in advances accruing interest at LIBOR plus 1.75%. This credit facility is guaranteed by Globant S.A. and Globant España S.A. and is secured by Globant LLC's now owned and after-acquired assets. This facility matures on August 2, 2022 and includes the following covenants: delivery of certain financial information; reports on any legal actions, complying with tax payments; maintain an asset coverage ratio of no less than 1.10; Globant LLC's capital expenditures limited to 5% the Company's consolidated annual revenue per year; restricted payments not to exceed 10,000 per year; Globant LLC's annual revenue is to remain at no less than 60% of the Company's consolidated annual revenue and Globant LLC's net intercompany payable outstanding with Argentine affiliates is to be no more than five months of billings from Argentina.

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On December 19, 2017, Globant LLC has borrowed 6,000 under this credit facility. This loan matured on March 19, 2018 but was renewed until May 21, 2018, and is included as a current borrowing.

Movements in borrowings are analyzed as follows:

	As of December 31,		
	2017	2016	2015
Balance at the beginning of year	217	548	1,285
Borrowings related to business combination (note 23)	—	250	—
Proceeds from new borrowings ⁽¹⁾	22,000	—	—
Payment of borrowings	(16,293)	(584)	(613)
Accrued interest	95	41	108
Foreign exchange	(8)	(38)	(232)
TOTAL	6,011	217	548

(1) The Company, through its Argentine subsidiary, Sistemas Globales S.A. and IAFH Global S.A., entered into 6 loan agreements with Santander Rio for a total amount of \$16,000. These loans matured before December 31, 2017. On December 19, 2017, Globant LLC has borrowed \$6,000 under the credit facility mentioned above. This loan matured on March 19, 2018 but was renewed until May 21, 2018.

NOTE 26 – OPERATING AND FINANCE LEASES

The Company is obligated under various operating leases for office space and office equipment. Total lease expense incurred under these leases was approximately 13,972; 12,032 and 9,945 for the years ended December 31, 2017, 2016 and 2015, respectively.

During the year ended December 31, 2016, the Company recognized some agreements related to computer leases as finance leases. The related liability arises to 61 classified as current borrowings as of December 31, 2016.

The undiscounted amounts of future fixed minimum annual lease commitments are as follows at December 31, 2017:

Year	Amount
2018	12,823
2019	10,070
2020	7,906
2021	3,032
2022	1,202
Total	35,033

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NOTE 27 – FINANCIAL INSTRUMENTS

27.1 - Categories of financial instruments

	As of December 31,	
	2017	2016
Financial assets		
Cash and cash equivalents	52,525	50,532
HFT assets	8,147	9,355
Other financial assets	1,428	1,219
Loans and receivables	126,171	100,504
Financial liabilities		
<u>Amortized cost</u>		
Trade payables	11,640	5,603
Payroll and social security taxes	40,472	30,328
Borrowings	6,011	217
Other financial liabilities ⁽¹⁾	29,238	31,826
Tax liabilities	5,253	6,249
Other liabilities	20	20

(1) As of December 31, 2017, other financial liabilities include 6,099, 816, 3,653, 3,876 and 9,461 related to contingent liability arisen in Clarice, WAE, L4, Ratio and PointSource acquisitions, respectively, which are measured at fair value (see note 27.10.1).

At the end of the reporting years, there were no loans or receivables designated at fair value through profit or loss. The carrying amounts reflected above represents the Company's maximum exposure to credit risk for such loans and receivables.

27.2 - Market risk

The Company is exposed to a variety of risks: market risk, including the effects of changes in foreign currency exchange rates and interest rates, and liquidity risk.

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company does not use derivative instruments to hedge its exposure to risks, apart from those mentioned in note 27.10.3.

27.3 - Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

Except in Globant Brasil Consultoría Ltda. (formerly TerraForum Consultoría Ltda.), Globers S.A. and We are London Limited, the subsidiary's functional currency is the U.S. dollar. In 2017, 91% of the Company's revenues are denominated in U.S. dollars. Because the majority of its personnel are located in Latin America, the Company incurs the majority of its operating expenses and capital expenditures in non-U.S. dollar currencies, primarily the Argentine peso, Uruguayan peso, Brazilian Real, Mexican peso, Peruvian Sol, Indian Rupee, Colombian peso and Great Britain Pound.

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Foreign exchange sensitivity analysis

The Company is mainly exposed to Argentine pesos.

The following table details the Company's sensitivity to a 30% increase and decrease in the U.S. dollar against the relevant foreign currency. The sensitivity analysis includes outstanding foreign currency denominated monetary items at December 31, 2017 and adjusts their translation at the year-end for a 30% change in U.S. dollars against the relevant foreign currency and the same change that affects net income as certain costs are incurred in Argentine pesos.

Account	Currency	Amount	Gain/(loss)	
			30% Increase	30% Decrease
Net balances	Argentine pesos	(1,149)	265	(345)
	Total	(1,149)	265	(345)

Account	Currency	Amount	Gain/(loss)	
			30% Increase	30% Decrease
Costs	Argentine pesos	(127,475)	29,417	(38,242)
	Total	(127,475)	29,417	(38,242)

The estimated effect in net income for the year ended December 31, 2017 due to a 30% increase in the U.S. dollar against the Argentine peso is a gain of 29,682 and such effect due to a 30% decrease in the U.S. dollar against the Argentine peso is a loss of 38,587.

Depreciation of the Argentine Peso

During 2017, the Argentine peso experienced a 17% devaluation from 15.84 Argentine peso per US dollar to 18.60 Argentine peso per US dollar. During 2016, the Argentine peso experienced a 14% devaluation from 13.91 Argentine peso per US dollar to 15.84 Argentine peso per US dollar.

On December 17, 2015, the Argentine peso experienced a 42% devaluation from 9.835 Argentine peso per US dollar to 13.95 Argentine peso per US dollar. Since it occurred during the last days of the year 2015, this fluctuation did not cause any significant impact in the Company's costs and expenses generated by the Company's Argentine subsidiaries in Argentine pesos, as expressed in U.S. dollars, neither on the Company's revenues, as revenues are mostly in U.S. dollars for the year ended 2015. However, this fluctuation caused a significant foreign exchange loss of 4,967 related to net exposure of monetary assets and liabilities nominated in Argentine pesos.

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27.4 - Interest rate risk management

The Company's exposure to market risk for changes in interest rates relates primarily to its cash and bank balances and its credit facilities. The Company's credit lines in Argentina and U.S. bear interest at fixed rates ranging from 15.25% and 15.50% in local currency (equivalent to an interest rate around 3.75% and 4%), and at variable rates from 1.75% at 3.4%, respectively. The Company does not use derivative financial instruments to hedge its risk of interest rate volatility.

27.5 – Liquidity risk management

The Company's primary sources of liquidity are cash flows from operating activities and borrowings under credit facilities. See note 25.1.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flow.

The table below analyzes financial liabilities into relevant maturity groups based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Expected Maturity Date				Total
	2018	2019	2020	Thereafter	
Borrowings	6,011	—	—	—	6,011
Interest to be paid	44	—	—	—	44
Other financial liabilities	10,664	8,940	9,634	—	29,238
TOTAL	16,719	8,940	9,634	—	35,293

27.6 - Concentration of credit risk

The Company derives revenues from clients in the U.S. (approximately 79%) and clients related from diverse industries. For the years ended December 31, 2017, 2016 and 2015, the Company's top five clients accounted for 28.9%, 33.7% and 33.0% of its revenues, respectively. One single customer accounted for 10.2% and 12.3% of revenues for the years ended December 31, 2017 and 2015. However, no single customer accounted for 10% or more of revenues for the years ended December 31, 2016.

27.7 - Fair value of financial instruments that are not measured at fair value

Except as detailed in the following table, the carrying amounts of financial assets and liabilities included in the consolidated statement of financial position as of December 31, 2017 and 2016, approximate to their fair values.

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	December 31, 2017		December 31, 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current assets				
Other receivables				
Guarantee deposits	1,347	1,226	1,289	1,167
Tax credit - VAT (*)	2,025	2,096	4,122	3,867
Income tax credits	2,129	2,059	577	553
Tax credit - Software Promotion Regime	132	45	—	—
Other tax credits	105	56	—	—
	<u>5,738</u>	<u>5,482</u>	<u>5,988</u>	<u>5,587</u>

(*) Net of allowance for impairment of tax credits.

27.8 Available-for-sale investments

During the years ended December 31, 2017, 2016 and 2015, the Company acquired "Letras del Banco Central" (LEBAC) with SBS Sociedad de Bolsa S.A. LEBAC are short-term securities issued and tendered by the Argentine Central Bank, nominated in Argentine pesos, and can be purchased with cash through banks or stock brokering companies. LEBAC do not pay interest during the life of the instrument. Instead, LEBAC are bought at a discount from their face value, which is the amount the instrument will be worth at its settlement. When these instruments reach their maturity, the investor receives an amount equal to the face value of the instrument.

The purpose of this transaction is to ensure a fixed return in Argentine Pesos.

During the year ended December 31, 2017, the Company acquired "Letras del Tesoro" (LETE) with JP Morgan and Allaria y Cia. Agente de Valores SpA. LETE are short-term securities issued and tendered by the Argentine Central Bank, nominated in U.S. dollars, and can be purchased with cash through banks or stock brokering companies. LETE do not pay interest during the life of the instrument. Instead, LETE are bought at a discounted from their face value, which is the amount the instrument will be worth at its settlement. When these instruments reach their maturity, the investor receives an amount equal to the face value of the instrument.

The purpose of this transaction is to ensure a fixed return in U.S. dollars.

According to the Company's accounting policy (note 3.12.4), held-to-maturity investments (HTM) are measured at amortized cost using the effective interest method, less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial instrument to the net carrying amount of the financial asset.

According to the nature, intention and ability of the Company to hold those LEBACs until maturity, they were initially classified as held-to-maturity investments. However, during December, 2015, the Company sold some of those LEBACs and consequently, changed the classification of the remaining LEBACs. As of December 31, 2017 and 2016, LEBACs are classified as Available-for-sale investments, since it was not permitted to classify investments as held-to-maturity in accordance with IAS 39. As of December 31, 2017 and 2016, the loss of 27 and 52, net of tax effect, are recorded as Other comprehensive income.

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Changes in the carrying amount of AFS financial assets relating to changes in foreign currency rates, interest income calculated using the effective interest method are recognized in profit or loss. Other changes in the carrying amount of AFS financial assets are recognized in other comprehensive income.

27.9 - Fair value measurements recognized in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into a three-level fair value hierarchy as mandated by IFRS 13, as follows:

Level 1 fair value measurements are those derived from quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 fair value measurements are those derived from unobservable inputs for the assets or liabilities.

	As of December 31, 2017			Total
	Level 1	Level 2	Level 3	
Financial assets				
Mutual funds	—	7,620	—	7,620
LEBACs	—	527	—	527
Foreign exchange forward contracts	—	73	—	73
Call option on minority interest (see note 23)	—	—	455	455
Convertibles notes	—	100	—	100
Financial liabilities				
Contingent consideration	—	—	23,905	23,905
Put option on minority interest (see note 23)	—	—	2,797	2,797
	As of December 31, 2016			Total
	Level 1	Level 2	Level 3	
Financial assets				
Mutual funds	—	9,355	—	9,355
Call option on minority interest (see note 23)	—	—	319	319
Financial liabilities				
Contingent consideration	—	—	23,314	23,314
Put option on minority interest (see note 23)	—	—	4,388	4,388

There were no transfers of financial assets between Level 1, Level 2 and Level 3 during the period.

The Company has applied the market approach technique in order to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities.

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27.10 Level 3

27.10.1 Contingent consideration

As explained in note 23, the acquisition of Clarice included a contingent consideration agreement which was payable on a deferred basis and which will be subject to reduction upon the occurrence of certain events relating, among other things, to the acquired company's gross revenue, gross profit and capacity.

As of December 31, 2016, the Company remeasured the fair value of the contingent consideration related to Clarice described above, considering that the gross revenue and gross profit target established by the second tranche payment, as defined in the purchase agreement, was partially met. Additionally, during February, 2017, the Company signed an amendment to the original SPA defining a new structure of earn outs explained in note 23. Gain arising from the change in fair value amounted to 418.

As of December 31, 2017, the Company remeasured the fair value of the contingent consideration related to Clarice described above, considering the new targets established by the amendment signed on May 16, 2017 to Globant India Private Ltd. (formerly Clarice Technologies PVT Ltd.) Share Purchase Agreement dated on May 14, 2015. Loss arising from the change in fair value amounted to 1,173 and includes a loss arising from the change in fair value of the contingent consideration for an amount of 1,401.

The new targets established by the above mentioned amendment are relative to the assignment to Globant India's employees to billable projects ("billable hours growth target").

As of December 31, 2017 and 2016, the nominal value of contingent consideration related to Clarice amounted to 6,291 and 5,392, respectively. The potential undiscounted amount of all future payments that the Company could be required to make under this agreement was between 2,193 and 6,578 as of December 31, 2017 and 2,695 and 5,664 as of December 31, 2016. The fair value of the contingent consideration related to Clarice arrangement of 6,099 and 5,063 as of December 31, 2017 and 2016, respectively, was estimated by discounting to present value using a risk-adjusted discount rate.

As described in note 23, the acquisition of WAE (jointly We are London Limited and We are Experience, Inc.) included a contingent consideration agreement which is payable on a deferred basis and which will be subject to reduction upon the occurrence of certain events relating, among other things, to the acquired company's gross revenue and gross profit.

As of December 31, 2017, the Company remeasured the fair value of the contingent consideration related to WAE described above. Gain arising from the change in fair value of the contingent consideration amount to 3,850.

As of December 31, 2017 and 2016, the nominal value of contingent consideration related to WAE amounted to 829 and 10,000, respectively. The potential undiscounted amount of all future payments that the Company could be required to make under this agreement was 816 as of December 31, 2017 and between 7,264 and 10,000 as of December 31, 2016. The fair value of the contingent consideration arrangement of 816 and 9,647 as of December 31, 2017 and 2016, respectively, was estimated by discounting to present value using a risk-adjusted discount rate.

As described in note 23, the acquisition of L4 included a contingent consideration agreement which is payable on a deferred basis and which will be subject to reduction upon the occurrence of certain events relating, among other things, to the acquired company's gross revenue and gross profit.

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As of December 31, 2017, the Company remeasured the fair value of the contingent consideration related to L4 described above, considering the new targets established by the amendment signed on January 30, 2018 to the SPA dated on November 14, 2016. Gain arising from the change in fair value of the contingent consideration amounted to 4,058.

As of December 31, 2017 and 2016, the nominal value of contingent consideration related to L4 amounted to 3,750 and 9,000, respectively. The potential undiscounted amount of all future payments that the Company could be required to make under this agreement was between 4,320 and an unlimited maximum amount as of December 31, 2017 and 6,391 and 9,500 as of December 31, 2016. The fair value of the contingent consideration arrangement of 3,653 and 8,604 as of December 31, 2017 and 2016, respectively, was estimated by discounting to present value using a risk-adjusted discount rate.

As described in note 23, the acquisition of Ratio Cypress LLC (Ratio), included a contingent consideration agreement which is payable on a deferred basis and which will be subject to reduction upon the occurrence of certain events relating, among other things, to the acquired company's gross revenue and gross margin.

As of December 31, 2017, the nominal value of contingent consideration related to Ratio amounted to 3,923. The potential undiscounted amount of all future payments that the Company could be required to make under this agreement was between 2,746 and an unlimited maximum amount as of December 31, 2017. The fair value of the contingent consideration arrangement of 3,876 as of December 31, 2017 was estimated by discounting to present value using a risk-adjusted discount rate.

As described in note 23, the acquisition of PointSource LLC (PointSource), included a contingent consideration agreement which is payable on a deferred basis and which will be subject to reduction upon the occurrence of certain events relating, among other things, to the acquired company's gross revenue and gross margin.

As of December 31, 2017, the nominal value of contingent consideration related to PointSource amounted to 9,626. The potential undiscounted amount of all future payments that the Company could be required to make under this agreement was between 3,850 and an unlimited maximum amount as of December 31, 2017. The fair value of the contingent consideration arrangement of 9,461 as of December 31, 2017 was estimated by discounting to present value using a risk-adjusted discount rate.

27.10.2 Put and call option on minority interests

As described in note 23, on October 22, 2015, the Company entered into a Shareholders Agreement (the "Minority Interest SHA") with the "non-controlling shareholders" to agree on a put option over the 33.27% of the remaining interest of Dynaflo.

The expected payment is determined by considering the possible scenarios. The significant unobservable input used is forecasted Revenue Growth Rate of Dynaflo at the time of the delivery of such exercise of the put option.

Changing the significant unobservable input used in the reasonably possible alternative assumptions would have the following effects:

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	Increase (Decrease) in unobservable input	Increase (Decrease) in put option
Forecasted Revenue Growth Rate	5%	427
	(5)%	(61)

As described in note 23, the Company also agreed on a call option over non-controlling interest. The fair value of the call option on minority interest was estimated by using the Black & Scholes method considering the EBITDA and Revenue of the Dynaflo's most recent audited annual financial statements at the time of the delivery of such exercise of the call option to present value using a risk-adjusted discount rate.

The expected payment is determined by considering the possible scenarios. The significant unobservable inputs used are: (i) forecasted EBITDA and Revenue of Dynaflo's most recent audited annual financial statements at the time of the delivery of such exercise of the call option, and (ii) risk-adjusted discount rate.

Changing one or more of the significant unobservable inputs used in the reasonably possible alternative assumptions would have the following effects:

	Increase (Decrease) in unobservable input	Increase (Decrease) in call option
Risk-adjusted discount rate	0.25%	3
	(0.25)%	(3)
Forecasted EBITDA & Revenue	5%	(20)
	(5)%	21

As of December 31, 2017 and 2016, the Company recorded a gain of 1,727 and 2,981 related to the remeasurement at fair value of the put and call option described above.

Reconciliation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy:

	Financial Assets	Financial liabilities	
	Call option on minority interest	Contingent consideration	Put option on minority interest
December 31, 2015	321	8,451	7,371
Fair value remeasurement	(2)	(418)	(2,983)
Acquisition of business	—	18,019	—
Payments	—	(3,164)	—
Interests	—	426	—
December 31, 2016	<u>319</u>	<u>23,314</u>	<u>4,388</u>

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	<u>Financial Assets</u>	<u>Financial liabilities</u>	
	<u>Call option on minority interest</u>	<u>Contingent consideration</u>	<u>Put option on minority interest</u>
December 31, 2016	319	23,314	4,388
Fair value remeasurement	136	(6,878)	(1,591)
Acquisition of business		13,199	
Payments		(5,990)	
Interests		260	
December 31, 2017	<u>455</u>	<u>23,905</u>	<u>2,797</u>

27.10.3 Foreign exchange futures and forward contracts

During the years ended December 31, 2017, 2016 and 2015, the Argentinian subsidiaries, Sistemas Globales S.A. and IAFH Global S.A. have acquired foreign exchange futures contracts with SBS Sociedad de Bolsa S.A. (SBS) in U.S. dollars, with the purpose of hedging the possible decrease of assets' value held in Argentine Pesos due to the risk of exposure to fluctuations in foreign currency. The foreign exchange futures contracts were recognized, according to IAS 39, as financial assets at fair value through profit or loss. For the years ended December 31, 2017, 2016 and 2015 the Company has recognized a loss of 421 and 1,126, and a gain of 7,152, respectively.

These futures contracts have daily settlements, in which the futures value changes daily. Sistemas Globales S.A. and IAFH Global S.A. recognize daily variations in SBS primary accounts, and the gains or losses generated by each daily position through profit or loss. Thus, at the closing of each day, according to the future price of the exchange rate U.S. Dollar – Argentine peso, the companies perceive a gain or loss for the difference. As future contracts have daily settlements, hence fair value as of December 31, 2017, 2016 and 2015 was zero.

Pursuant to these contracts, Sistemas Globales S.A. and IAFH Global S.A. are required to maintain collaterals in an amount equal to a percentage of the notional amounts purchased until settlement of the contracts. As of December 31, 2017, IAFH Global S.A. held a 10% of the value of those collaterals in LEBACs in SBS primary account. This ensures minimal funding, in case SBS has to transfer funds to "Mercado a Término de Rosario S.A" (ROFEX) if losses are generated by daily settlements. This amount must also remain restricted during the term of the contracts. As of December 31, 2017, both collaterals regarding the transactions are restricted assets for an amount of 473 in LEBACs included as investments. As of December 31, 2016, foreign exchange future contracts acquired by the Company were all settled.

During the year ended December 31, 2017, the subsidiary Globant LLC, has acquired foreign exchange forward contracts with Bridge Bank in rupees currency, with the purpose of hedging the risk of exposure to fluctuations in that currency within the Group. Those contracts were recognized, according to IAS 39, as financial assets at fair value through profit or loss. For the year ended December 31, 2017 the Company has recognized a gain of 118.

During 2017, the Argentinian subsidiary, Sistemas Globales S.A. has entered into foreign exchange forward contracts with HSBC in U.S. dollars at a specified price. Sistemas Globales S.A. uses these foreign exchange forward contracts to reduce the risk of exposure to fluctuations in foreign currency. For the year ended December 31, 2017, the Company has recognized a gain of 34. As of December 31, 2017, the foreign exchange forward contract that was settled on January 31, 2018, was recognized, according to IAS 39, as a financial asset at fair value through profit or loss, for an amount of 73.

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	<u>Foreign currency rate from contracts</u>	<u>Notional foreign currency rate</u>	<u>Fair value assets / (liabilities)</u>
Less than 3 months	18.045	18.95	73
Fair value as of December 31, 2017			73

The most frequently applied valuation techniques include forward pricing models. The models incorporate various inputs including: foreign exchange spot, interest rates curves of the respective currencies and the term of the contract.

NOTE 28 — CONTINGENCIES

On February 10, 2012, Federacion Argentina de Empleados de Comercio y Servicios ("FAECYS") filed a lawsuit against our Argentine subsidiary, Sistemas Globales S.A., in which FAECYS is demanding the application of its collective labor agreement to the employees of that subsidiary. According to FAECYS's claim, Sistemas Globales should have withheld and transferred to FAECYS an amount of 0.5% of the gross monthly salaries of Sistemas Globales's employees from October 2006 through October 2011. Furthermore, FAECYS' claim may be increased to cover withholdings from October 2006 through the date of a future judgment.

Although we believe Sistemas Globales has meritorious defenses to this lawsuit, no assurance can be provided as to what the ultimate outcome of this matter will be. In the opinion of our management and our legal advisors, an adverse outcome from this claim is not probable. Consequently, no amount has been accrued at December 31, 2017. We estimate that the amount of possible loss as of the date of issuance of these financial statements ranges between 0.7 and 0.8, including legal costs and expenses.

In December 2015, we received a civil investigative demand from the U.S. Attorney's Office for the Northern District of Texas (the "US DOJ") for the production of records in connection with an investigation relating to alleged non-compliance with laws governing the application for and use of B visas during the period January 1, 2009 through December 31, 2015 (the "Relevant Period").

In order to avoid the inconvenience and expense of litigation, we settled this matter by entering into a Settlement Agreement with the US DOJ ("Settlement Agreement") on March 15, 2017. Under the terms of the Settlement Agreement, we denied the US DOJ's allegations and all liability in connection with the conduct alleged by the US DOJ to have involved 21 employees from June 2010 through December 2012. Under the Settlement Agreement, we agreed, among other things, to pay an amount equal to 1,000. Of that amount, 500 is attributable to penalties connected to the above-described conduct and 500 is attributable to reimbursement of the US DOJ's investigative costs. In return, the US DOJ has agreed, among other things, to release us and/or our affiliates from any civil or administrative monetary claim that the US DOJ has for the above-described conduct during the Relevant Period with respect to the foreign nationals referenced in the Settlement Agreement, subject to customary exceptions. On March 17, 2017, we paid the total amount of 1,000 related to this agreement.

Our U.S. subsidiary, Globant LLC, is currently under examination by the Internal Revenue Service ("IRS") regarding payroll and employment taxes primarily in connection with services performed by employees of certain of our subsidiaries in the United States from 2013 to 2015. Such examination is currently in progress and, at this stage, we cannot make any predictions about the final outcome of this matter. Management estimates that the amount of possible loss as of December 31, 2017 could range between 300 and 500.

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The Company's US subsidiary, Globant LLC, was under examination for fiscal year 2012 by the Internal Revenue Service ("IRS") regarding transfer pricing matters and others related to the activities performed by the Company's subsidiaries in the US. On August 31, 2016, the IRS issued final outcome of the audit resulted in no adjustment to the originally reported profit of the Company on the 2012 income tax return.

As of December 31, 2017, the Company is also a party in certain labor claims where the risk of loss is considered possible. The final resolution of these claims is not likely to have a material effect on the Company's financial position and results of operations.

During the year ended December 31, 2017, some labor claims where the Company was involved came to final resolution and a utilization of the provision for contingencies was recorded for an amount of 320.

NOTE 29 — CAPITAL AND RESERVES

29.1 Issuance of common shares

On December 31, 2017, 338,709 common shares were issued after vested options arising from the 2012 and 2014 share-based compensation plan were exercised by some employees. Options were exercised at an average price of 15.63 per share amounting to a total of 5,296.

On December 31, 2017, 254,328 Restricted Stock Units (RSU) were granted to certain employees and directors of the Company. During 2017, 86,931 RSUs were vested at an average price of 36.11 per share amounting to a total of 3,141.

On August 17, 2017, the Company issued 34,219 common shares for a total amount of 1,435 as part of the subscription agreement stated in the stock purchase agreement signed with WAE's sellers explained in note 23.

On June 1, 2017, the Company issued 84,953 common shares for a total amount of 3,100 as part of the subscription agreement stated in the stock purchase agreement signed with PointSource's sellers explained in note 23.

On March 1, 2017, the Company issued 34,309 common shares for a total amount of 1,160 as part of the subscription agreement stated in the stock purchase agreement signed with Ratio's sellers explained in note 23.

On December 31, 2016, 243,915 common shares were issued after vested options arising from the 2012 and 2014 share-based compensation plan were exercised by some employees. Options were exercised at an average price of 7.64 per share amounting to a total of 1,863.

On November 14, 2016, the Company issued 70,380 common shares for an amount of 2,970 as part of the subscription agreement stated in the Stock Purchase Agreement signed with L4's sellers, explained in note 23.

On July 25, 2016, the Company issued 23,508 common shares for an amount of 900 as part of the subscription agreement signed with Clarice's sellers, explained in note 23.

On May 23, 2016, the Company issued 75,221 common shares for an amount of 2,550 as part of the subscription agreement stated in the Stock Purchase Agreement signed with WAE's sellers, explained in note 23.

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On January 22, 2016, the Company granted 11,213 treasury shares at a price of \$ 27.2 per share to Mr. Spitz to cancel the remaining liability of 305, related to the acquisition of the minority interest of Huddle Group. The Company withholds the remaining amount of 20 as an escrow till October 23, 2019.

On December 31, 2015, 545,649 common shares were issued after vested options arising from the 2012 and 2014 share-based compensation plan were exercised by some employees. Options were exercised at an average price of 4.10 per share amounting to a total of 2,236.

On July 16, 2015, the Company issued 43,857 common shares for an amount of 900 as part of the subscription agreement signed with Clarice's sellers, explained in note 23.

On April 30, 2015, the Company granted to one employee 30,000 common shares to be carried out in two tranches: 15,000 shares delivered during April 2015 and the remaining 15,000 shares was delivered on 1 April 2016. Shares were granted at a price of 21.01 per share amounting to a total of 315 per year.

29.2 Public offerings

On August 2, 2016, the Company applied to the Luxembourg Stock Exchange for listing on the Official List of the Luxembourg Stock Exchange and for the admission to trading on its regulated market of 34,594,324 existing common shares, issued in registered form, with a nominal value of US\$ 1.20 each, representing the entire share capital of the Company at that moment. The fees estimated in connection with the listing of the common shares amounted to 162 and are including within professional services.

On August 11, 2016, the Company applied to the Luxembourg Financial Sector Supervisory Authority (Commission de Surveillance du Secteur Financier) (the "CSSF") in its capacity as competent authority, for the approval of the Company's prospectus, which was approved by the CSSF on August 11, 2016.

As of December 31, 2017, 25,363,926 common shares of the Company's share capital are registered with the SEC and quoted in the New York Stock Exchange.

NOTE 30 - APPROPRIATION OF RETAINED EARNINGS UNDER SUBSIDIARIES' LOCAL LAW

In accordance with Argentine and Uruguayan Law, the Argentine subsidiaries of the Company must appropriate at least 5% of net income for the year to a legal reserve, until such reserve equals 20% of their respective share capital amounts.

As of December 31, 2017, the legal reserve amounted to 759 for all Argentine subsidiaries and as of that date was fully constituted.

As of December 31, 2017, the legal reserve amounted to 42 for the Company's Uruguayan subsidiary and as of that date was fully constituted.

According to the ByLaws of Sistemas Colombia S.A.S., the Colombian subsidiary of the Company must appropriate at least 10% of the net income of the year to a legal reserve until such reserve equal 50% of its share capital. As of December 31, 2017, there was a legal reserve of 0.4 that was fully constituted.

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Under Spanish law, the Spanish subsidiaries of the Company must appropriate 10% of its standalone profit to a legal reserve until such reserve equals to 20% of their respective share capital amount. As of December 31, 2017, the legal reserve amounted to 7,922 for all Spanish subsidiaries.

In accordance with Brazilian Law, there is no requirement for limited liability companies to allocate profits for the creation of a legal reserve. The Company's Brazilian subsidiary did not have a legal reserve as of December 31, 2017.

Under Luxembourg law, at least 5% of our net profits per year must be allocated to the creation of a legal reserve until such reserve has reached an amount equal to 10% of our issued share capital. If the legal reserve subsequently falls below the 10% threshold, at least 5% of net profits again must be allocated toward the reserve. If the legal reserve exceeds 10% of our issued share capital, the legal reserve may be reduced in proportion so that it does not exceed 10% of our issued share capital. The legal reserve is not available for distribution. As of December 31, 2017, no reserve had been constituted. Dividends paid by the Company to the holders of our common shares are as a rule subject to a 15% withholding tax in Luxembourg, unless a reduced withholding tax rate applies pursuant to an applicable double tax treaty or an exemption pursuant to the application of the participation exemption, and, to the extent withholding tax applies, we are responsible for withholding amounts corresponding to such taxation at its source.

In accordance with Peru corporate law, the Peruvian subsidiary of the Company must reserve at least 10% of its net income of the year to a legal reserve, until such reserve equals 20% of its respective amount capital stock. As of December 31, 2017, there was no legal reserve constituted.

According to Mexican Law, the Mexican subsidiary of the Company must appropriate at least 5% of net income of the year to a legal reserve, until such reserve equals the fifth portion of their respective share capital amounts. As of December 31, 2017, the legal reserve amounted to 49 for the Company's Mexican subsidiary.

Regarding India Law, the Companies Act, 2013 does not mandate any fixed quantum of profits to be transferred / allocated to the reserves of a company. As of December 31, 2017, the legal reserve amounted to 17 for the Company's Indian subsidiary.

In UK there is no requirement for the UK's Company subsidiary to allocate profits for the creation of a legal reserve. As of December 31, 2017, there was no legal reserve constituted.

In Chile there is no requirement for the Chilean subsidiary of the Company to allocate profits for the creation of a legal reserve. As of December 31, 2017, there was no legal reserve constituted.

NOTE 31 – SUBSEQUENT EVENTS

The Company evaluated transactions occurring after December 31, 2017 in accordance to IAS 10 'Events after the reporting period', through April 3, 2018, which is the date that the consolidated financial statements were made available for issuance.

NOTE 32 – APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements were approved by the Board of Directors on April 3, 2018.

Martín Migoya
President

CREDIT AGREEMENT

dated as of

August 3, 2017

among

GLOBANT, LLC,
as Borrower

CERTAIN FINANCIAL INSTITUTIONS,
as Lenders,

and

HSBC BANK USA, N.A.,
as Administrative Agent

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- Schedule 6.2 - Existing Indebtedness
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- Exhibit B - Form of Assignment and Assumption
- Exhibit C - Form of Security Agreement
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- Exhibit D-4 - Form of U.S. Tax Compliance Certificate (For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)
- Exhibit E - Form of Borrowing Request
- Exhibit F - Form of Interest Election Request
- Exhibit G - Form of Compliance Certificate

CREDIT AGREEMENT dated as of August 3, 2017, among GLOBANT, LLC, a Delaware limited liability company (the “Borrower”), the Lenders (as defined hereinafter) that are from time to time parties hereto, and HSBC BANK USA, N.A. (“HSBC”), as Administrative Agent (in such capacity, the “Administrative Agent”).

The Borrower has requested that the Lenders provide a revolving credit facility, and the Lenders have indicated their willingness to make such facility available to the Borrower on the terms and subject to the conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I

Definitions

Section 1.1 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“Accounts” means all present and future rights of the Borrower to payment of a monetary obligation, whether or not earned by performance, which is not evidenced by chattel paper or and instrument, (a) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (b) for services rendered or to be rendered, (c) for a secondary obligation incurred or to be incurred, or (d) arising out of the use of a credit, charge or debit card along with all information contained on or for use with such card; provided, that “Accounts” shall not include any of the foregoing that have not been invoiced.

“Acquisition” means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of all or substantially all of any business or division of a Person, (b) the acquisition of more than 50% of the Equity Interests of any Person, or otherwise causing any Person to become a Subsidiary or (c) a merger or consolidation or any other combination with another Person (other than a Person that is already a Subsidiary).

“Administrative Agent” has the meaning specified in the preamble and includes any successor administrative agent appointed under Article VIII.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affiliate” means, with respect to a specified Person, another Person that directly or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agent Parties” has the meaning specified in Section 9.1(d)(ii).

“Aggregate Credit Exposure” means, at any time, the aggregate Total Credit Exposure of all of the Lenders.

“Agreement” means this Credit Agreement.

“Alternate Base Rate” means, for any day, a rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to the greatest of (a) the Prime Rate, (b) 1/2 of one percent above the Federal Funds Effective Rate, (c) the LIBO Rate for a Eurodollar Loan with a one-month Interest Period commencing on such day plus 1% and (d) 0%.

“Anti-Money Laundering Laws” means the PATRIOT Act; the U.S. Money Laundering Control Act of 1986 and the regulations and rules promulgated thereunder, as amended from time to time; the U.S. Bank Secrecy Act and the regulations and rules promulgated thereunder, as amended from time to time; and corresponding laws of (a) the European Union designed to combat money laundering and terrorist financing and (b) jurisdictions in which the Borrower operates or in which the proceeds of the Loans will be used or from which repayments of the Obligations will be derived.

“Applicable Law” means, with respect to any Person, (x) all provisions of law, statute, treaty, ordinance, rule, regulation, requirement, restriction, permit, certificate, decision, directive or order of any Governmental Authority applicable to such Person or any of its property and (y) all judgments, injunctions, orders, writs and decrees of all courts and arbitrators in proceedings or actions in which such Person is a party or by which any of its property is bound.

“Applicable Percentage” means, with respect to any Lender at any time, subject to reallocation with respect to a Defaulting Lender pursuant to Section 2.21:

(a) with respect to Commitments and Loans, a percentage equal to a fraction, the numerator of which is such Lender’s Commitment and the denominator of which is the aggregate Commitments of all Lenders (provided that, if the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon such Lender’s share of the aggregate Credit Exposures at that time); and

(b) with respect to the Aggregate Credit Exposure, a percentage equal to a fraction, the numerator of which is the sum of such Lender’s Total Credit Exposure, and the denominator of which is the sum of the Aggregate Credit Exposure of all Lenders.

“Applicable Rate” means, for any day, with respect to any Base Rate Loan or Eurodollar Loan, as the case may be, (i) 0.75% per annum, for Base Rate Loans, and (ii) 1.75% per annum for Eurodollar Loans.

“Approved Fund” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 9.4), and accepted by the Administrative Agent, in substantially the form of Exhibit B or any other form approved by the Administrative Agent.

“Availability Period” means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“Bail-In Legislation” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“Base Rate” when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

“Borrower” has the meaning specified in the preamble.

“Borrower Materials” is defined in Section 9.1(d)(i).

“Borrowing” means Loans of the same Type made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

“Borrowing Request” means a request by the Borrower for a Borrowing in accordance with Section 2.3, which shall be substantially in the form of Exhibit E.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in Dollar deposits in the London interbank market.

“Capital Expenditures” means all expenditures which, in accordance with IFRS, would be required to be capitalized and shown on the consolidated balance sheet of the Borrower, including Capital Lease Obligations, but excluding (a) expenditures made in connection with the replacement, substitution or restoration of assets to the extent financed (i) from insurance proceeds (or other similar recoveries) paid on account of the loss of or damage to the assets being replaced or restored or (ii) with awards of compensation arising from the taking by eminent domain or condemnation of the assets being replaced, and (b) expenditures attributable to intangibles to the extent included in “Intangible Assets” on the consolidated balance sheet of the Borrower.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under IFRS, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with IFRS.

“Cash Equivalent Investments” means:

- (a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States), in each case maturing within one year from the date of acquisition thereof;
- (b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody’s;
- (c) investments in certificates of deposit, banker’s acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States or any state thereof that has a combined capital and surplus and undivided profits of not less than \$500,000,000;
- (d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above;
- (e) shares of money market mutual or similar fund that (i) invests exclusively in assets satisfying the requirements of clauses (a) through (c) of this definition, (ii) has net assets of not less than \$5,000,000,000, and (iii) is rated AAA by S&P and Aaa by Moody’s;
- (f) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA by S&P and Aaa by Moody’s and (iii) have portfolio assets of at least \$5,000,000,000;
- (g) deposit accounts maintained with (i) any commercial bank satisfying the requirements of clause (c) of this definition or (ii) any other commercial bank organized under the laws of the United States or any state thereof so long as the full amount maintained with any such other bank is insured by the Federal Deposit Insurance Corporation;
- (h) securities with maturities of one year or less from the date of acquisition issued or fully and unconditionally guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A by Moody’s;
- (i) (i) certificates of deposit or bankers’ acceptances or time deposits maturing within 180 days from the date of acquisition thereof, in each case payable in Dollars or in the local currency where such funds are maintained and issued by any bank organized under the laws of any country which is organized and existing under the laws of the country in which such Person is organized or doing business and having at the date of acquisition thereof combined capital and surplus of not less than \$500,000,000 (calculated at the then applicable

exchange rate) and (ii) deposit accounts or local equivalents maintained with any bank that satisfies the criteria described in clause (i) above; and

(j) other short-term investments utilized by any Loan Party, Foreign Subsidiary or other Subsidiary operating outside the United States in accordance with normal investment practices for cash management in investments of a type analogous to the foregoing.

“CFC” means a controlled foreign corporation (as that term is defined in Section 957(a) of the IRC).

“Change in Control” means an event or a series of events by which (a) a Loan Party shall cease to own and control, of record and beneficially, directly or indirectly, 100% of the aggregate issued and outstanding Equity Interests of the Borrower having ordinary voting power on a fully diluted basis (which for this purpose shall exclude all Equity Interests that have not yet vested); (b) a Loan Party shall cease to have the ability to elect (either through share ownership or contractual voting rights) a majority of the board of directors or equivalent governing body of the Borrower; or (c) a majority of the Board of Directors of Globant S.A. (Luxembourg) are not Continuing Directors.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Collateral” means any property of any Loan Party upon which a security interest in favor of the Administrative Agent for the benefit of the Secured Parties is purported to be granted pursuant to any Security Document; provided, that only 65% of the total outstanding voting Equity Interests of any first tier Subsidiary of a Loan Party that is a CFC (and none of the Equity Interests of any Subsidiary of such CFC) shall be Collateral.

“Commitment” means, with respect to each Lender, the commitment of such Lender to make Loans, expressed as an amount representing the maximum aggregate amount of such Lender’s Credit Exposure hereunder, as such commitment may be reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.4. The initial amount of each Lender’s Commitment is set forth on Schedule 2.1, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable. The initial aggregate amount of the Lenders’ Commitments is \$40,000,000.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Communications” has the meaning specified in Section 9.1(d)(ii).

“Compliance Certificate” means a certificate substantially in the form of Exhibit G.

“Computation Period” means, as of any date of calculation, the immediately preceding four consecutive fiscal quarters.

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated” means, when used with reference to financial statements or financial statement items of Globant S.A. (Luxembourg) and its Subsidiaries or any other Person, such statements or items on a consolidated basis in accordance with the consolidation principles of IFRS.

“Consolidated EBITDA” means, for any period, the sum of the following determined on a Consolidated basis, without duplication, for Globant S.A. (Luxembourg) and its Subsidiaries in accordance with IFRS, Consolidated Net Income for the most recently completed Computation Period plus, to the extent deducted in determining such Consolidated Net Income, (i) Consolidated Interest Expense, (ii) income tax expense, (iii) depreciation and amortization, (iv) non-cash management compensation expenses for such Period, (v) reasonable and documented Transaction Costs, (vi) actual restructuring costs and integration costs in connection with any Acquisition, in each case to the extent paid or made within twelve (12) months of the closing of such Acquisition, (vii) to the extent not duplicative of any other expense or charge otherwise added back to Consolidated EBITDA, pro forma “run rate” cost savings and operating expense reductions to be realized as a result of Acquisitions that are reasonably identifiable, factually supportable and projected by the Borrower in good faith to result from actions that have been taken or with respect to which substantial steps have been taken or are expected to be taken (in the good faith determination of the Borrower) within twelve (12) months after any such Acquisition, net the amount of actual benefits realized during such period from such actions, provided, that the aggregate amount of any such Transaction Costs, restructuring and integration costs, “run rate” cost savings and operating expense reductions added back to the definition of Consolidated EBITDA under clauses (v) through (vii) of this definition during any fiscal quarter, shall not exceed 10% of Consolidated EBITDA for such fiscal quarter, (viii) mark-to-market losses with respect to Hedging Agreements and (ix) any loss incurred in connection with any sale or other disposition outside the ordinary course of business, minus, to the extent included in determining Consolidated Net Income (a) mark-to-market gains with respect to Hedging Agreements and (b) any gain incurred in connection with any sale or other disposition outside the ordinary course of business.

“Consolidated Interest Expense” means, for any Computation Period, the sum of (a) all interest, premium payments, debt discount, fees, charges and related expenses in

connection with borrowed money (including capitalized interest) or in connection with the deferred purchase prices of assets, in each case to the extent treated as interest in accordance with IFRS, (b) all interest paid or payable with respect to discontinued operations and (c) the portion of rent expense under Capital Lease Obligations that are treated as interest in accordance with IFRS, in each case of or by Global S.A and its Subsidiaries on a Consolidated basis for the relevant period.

“Consolidated Net Income” means, as of any date of determination, the net income (or loss) of Globant S.A. (Luxembourg) and its Subsidiaries on a Consolidated Basis for the most recently completed Computation Period; provided that, Consolidated Net Income shall exclude (a) extraordinary gains and extraordinary losses for such Computation Period, (b) the income of any Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary of that income is not at the time permitted by operation of Applicable Law or the terms of its organizational documents or any agreement or instrument applicable to such Subsidiary, (c) the income or loss of any Person accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with Globant S.A. (Luxembourg) or any Subsidiary or the date that such Person’s assets are acquired by Globant S.A. (Luxembourg) or any Subsidiary, to the extent that such income or loss is not attributable to Globant S.A. (Luxembourg) or any Subsidiary and (d) the income of any Person in which any other Person (other than Globant S.A. (Luxembourg) or a Wholly Owned Subsidiary or any director holding qualifying shares in accordance with Applicable Law) has a joint interest, except to the extent of the amount of dividends or other distributions actually paid to Globant S.A. (Luxembourg) or a Wholly Owned Subsidiary by such Person during such Computation Period.

“Consolidated Net Revenue” means, as of any date of determination, the net revenue of Globant S.A. (Luxembourg) and its Subsidiaries on a Consolidated basis for the most recently completed Computation Period.

“Consolidated Total Debt” means, as of any date of determination, all Indebtedness of the Globant S.A. (Luxembourg) and its Subsidiaries determined on a Consolidated basis (including any Indebtedness (contingent or otherwise) incurred in connection with an Acquisition permitted hereunder) and, subject to the foregoing, excluding (a) contingent obligations in respect of Guarantees (except to the extent constituting Guarantees in respect of Indebtedness of a Person other than any Loan Party), (b) obligations in respect of one or more Hedging Agreements, and (c) contingent obligations in respect of undrawn letters of credit.

“Continuing Directors” means, as of an date of determination, any director or manager (or their equivalent) of Globant S.A. (Luxembourg): (a) who was a director or manager (or their equivalent) on the Effective Date; or (b) whose nomination for election to serve as director or manager (or its equivalent) of Globant S.A. (Luxembourg) is recommended by a majority of the then Continuing Directors who at the time of such nomination are members of the Corporate Governance and Nominating Committee of Globant S.A. (Luxembourg), or is otherwise elected to the board of directors or managers (or their equivalent) with the approval of a majority of the then Continuing Directors at the time of such election.

“Contractual Currency” has the meaning set forth in Section 9.16.

“Contractual Obligation” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Credit Exposure” means, as to any Lender at any time, the aggregate principal amount at such time of its outstanding Loans.

“Debtor Relief Laws” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

“Default” means any event or condition that constitutes an Event of Default or that with notice, lapse of time or both would become an Event of Default.

“Defaulting Lender” means, subject to Section 2.21(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified the Borrower or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that, such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (iii) become the subject of a Bail-in Action; provided that, a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within

the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.21(b)) upon delivery of written notice of such determination to the Borrower and each Lender.

“Disclosed Matters” means the actions, suits, litigation, investigations and proceedings and the environmental matters disclosed in Schedule 3.6.

“Disposition,” with respect to any property, means any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms “Dispose” and “Disposed of” have meanings correlative thereto.

“Disqualified Equity Interests” means any Equity Interest that, by its terms (or by the terms of any security or other Equity Interest into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (i) matures or is mandatorily redeemable (other than solely for Equity Interests that are not otherwise Disqualified Equity Interests), pursuant to a sinking fund obligation or otherwise, (ii) is redeemable at the option of the holder thereof (other than solely for Equity Interests that are not otherwise Disqualified Equity Interests), in whole or in part, (iii) provides for scheduled payments or dividends in cash or (iv) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 91 days after the Maturity Date; provided, that if such Equity Interests are issued to any plan for the benefit of employees of Globant S.A. (Luxembourg) or its Subsidiaries or by any such plan to such employees, such Equity Interests shall not constitute Disqualified Equity Interests solely because they may be required to be repurchased by the Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations.

“Dollars” or “\$” refers to lawful money of the United States.

“Domestic Subsidiary” means any Subsidiary of the Borrower organized under the laws of any jurisdiction within the United States.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” means the date on which the conditions specified in Section 4.1 are satisfied (or waived in accordance with Section 9.2).

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Section 9.4(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 9.4(b)(iii)).

“Environmental Laws” means all Applicable Law relating in any way to the environment, preservation or reclamation of natural resources, the management, storage, use, holding, collection, accumulation, generation, manufacture, processing, treatment, stabilization, disposition, handling, transportation, release or threatened release of any Hazardous Material or to health and safety matters.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment, or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

“ERISA” means the Employee Retirement Income Security Act of 1974.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the IRC or, solely for purposes of Section 302 of ERISA and Section 412 of the IRC, is treated as a single employer under Section 414 of the IRC.

“ERISA Event” means (a) any “reportable event,” as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30 day notice period is waived), (b) the determination that any Pension Plan or Multiemployer Plan, as applicable, is considered an at-risk plan or that any Pension Plan or Multiemployer Plan, as applicable, is endangered or is in critical status within the meaning of Sections 430, 431 or 432 of the IRC or Sections 303, 304 or 305 of ERISA, (c) the incurrence by the Borrower or any ERISA Affiliate of any liability under Title IV of ERISA, other than for PBGC premiums not yet due, (d) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Pension Plan or to appoint a trustee to administer any Pension Plan or the occurrence of any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan, (e) the appointment of a trustee to administer any Pension Plan, (f) the withdrawal of the Borrower or any ERISA Affiliate from a

Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or the cessation of operations by the Borrower or any ERISA Affiliate that would be treated as a withdrawal from a Pension Plan under Section 4062(d) of ERISA, (g) the partial or complete withdrawal by the Borrower or any ERISA Affiliate from any Multiemployer Plan or a notification that a Multiemployer Plan is in reorganization, or (h) the taking of any action to terminate any Pension Plan under Section 4041 or 4041A of ERISA.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Eurodollar,” when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the LIBO Rate.

“Event of Default” has the meaning specified in Article VII.

“Excluded Swap Obligation” means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and any other “keepwell, support or other agreement” for the benefit of such Guarantor and any and all guarantees of such Guarantor’s Swap Obligations by other Loan Parties) at the time the Guarantee of such Guarantor, or a grant by such Guarantor of a security interest, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes excluded in accordance with the first sentence of this definition.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.19(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.17, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such

Recipient's failure to comply with Section 2.17(g) or Section 2.17(h), and (d) any U.S. federal withholding Taxes imposed under FATCA.

"FASB ASC" means the Accounting Standards Codification of the Financial Accounting Standards Board.

"FATCA" means Sections 1471 through 1474 of the IRC, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the IRC, and any applicable intergovernmental agreements (and related official administrative guidance) with respect thereto.

"FCPA" has the meaning specified in Section 3.23.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average rate (rounded upwards, if necessary, to the next 1/100 of 1%) charged by HSBC for such day for such transactions as determined by the Administrative Agent.

"Financial Officer" means, with respect to any Person, the chief financial officer, principal accounting officer, treasurer or controller of such Person.

"Foreign Lender" means a Lender that is not a U.S. Person.

"Foreign Subsidiary" means any Subsidiary of the Borrower that is not a Domestic Subsidiary.

"FRB" means the Board of Governors of the Federal Reserve System of the United States.

"Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

"Funding Rules" means the requirements relating to the minimum required contributions (including any installment payments) to Pension Plans and Multiemployer Plans, as applicable, and set forth in Sections 412 of the IRC and Section 302 of ERISA for periods prior to the effective date of the Pension Protection Act of 2006 and Sections 412, 430, 431, 432 and 436 of the IRC and Sections 302, 303, 304 and 305 of ERISA for periods on and after the effective date of the Pension Protection Act of 2006.

"Globant S.A. (Luxembourg)" means Globant S.A., a public limited company organized under the laws of the Grand Duchy of Luxembourg.

“Globant S.A. (Spain)” means Globant S.A., a single shareholder corporation organized under the laws of the Kingdom of Spain.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state, regional or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing, or having the economic effect of guaranteeing, any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided that, the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business.

“Guarantor” means Globant S.A. (Luxembourg), Globant S.A. (Spain) and each other Material Subsidiary that makes a guaranty of the Obligations in favor of the Administrative Agent for the benefit of the Secured Parties pursuant to Section 5.9; provided, that no CFC shall be a Guarantor.

“Guaranty Agreement” means each of the Luxembourg Guaranty Agreement, the Spanish Guaranty Agreement and any other guaranty made by a Guarantor in favor of the Administrative Agent for the benefit of the Secured Parties pursuant to the terms hereof.

“Hazardous Materials” means all toxic, corrosive, flammable, explosive, carcinogenic, mutagenic, infectious or radioactive substances or wastes and all other hazardous or toxic substances, wastes or other pollutants, or dangerous substance, including petroleum or any fraction thereof, petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Hedging Agreement” means any agreement with respect to any swap, cap, collar, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that, no phantom stock or similar plan providing for payments only on account of services provided by

current or former directors, officers, employees or consultants of the Borrower or the Subsidiaries shall be a Hedging Agreement.

“HSBC” has the meaning specified in the preamble.

“IFRS” means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements delivered under or referred to herein.

“Increased Cost Lender” has the meaning specified in Section 2.19(b).

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding accounts payable incurred in the ordinary course of business that are not more than 60 days past due or that are currently being contested in good faith by appropriate proceedings in accordance with Section 5.4), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (j) Disqualified Equity Interests of such Person, (k) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances, and (l) all obligations, contingent or otherwise, of such Person under Hedging Agreements; provided that Indebtedness shall not include (i) any purchase price adjustment, earn-out, holdback or deferred payment of a similar nature incurred in connection with an Acquisition permitted under this Agreement so long as not evidenced by a note or similar written instrument (except to the extent that the amount payable pursuant to such purchase price adjustment, earn-out, holdback or deferred payment is reflected, or would otherwise be required to be reflected as a liability on a balance sheet prepared in accordance with IFRS) or (ii) prepaid or deferred revenue in connection with the sale of goods and/or the performance of services (including those related to customer advances) in the ordinary course of business. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document, and (b) to the extent not otherwise described in clause (a), Other Taxes.

“Indemnitee” has the meaning specified in Section 9.3(b).

“Information” has the meaning specified in Section 9.12.

“Interest Election Request” means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.7, which shall be substantially in the form of Exhibit F.

“Interest Payment Date” means (a) with respect to any Base Rate Loan, the last day of each March, June, September and December, and (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period.

“Interest Period” means, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter, as the Borrower may elect; provided that, (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, and (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Investment” means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extension of credit (including by way of Guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property or any payment for property or services for the account or use of others), or any purchase or acquisition of Equity Interests, evidences of Indebtedness or other securities of, such other Person and all other items that are or would be classified as investments on a balance sheet prepared in accordance with IFRS, and any purchase or other acquisition (in one transaction or a series of transactions) of any assets of any other Person constituting a business unit; provided that, the endorsement of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment.

“IRC” means the Internal Revenue Code of 1986.

“IRS” means the United States Internal Revenue Service.

“Judgment Currency.” has the meaning set forth in Section 9.16.

“Lender” means each Person listed on Schedule 2.1 and any other Person that shall have become a party hereto as a Lender pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

“Lender Provided Financial Service Product” means any agreement or other arrangements under which any Lender or any Affiliate of any Lender provides any of the

following products or services to any of the Loan Parties: (a) credit cards, (b) credit card processing services, (c) debit cards, (d) purchase cards, (e) gift cards, (f) ACH transactions, (g) cash management, including electronic funds transfer, controlled disbursement, accounts or services, (h) overdraft, or (i) foreign currency exchange.

“Lender Provided Hedging Agreement” means any Hedging Agreement between a Loan Party and a counterparty that is a Lender or an Affiliate of a Lender.

“LIBO Rate” means, with respect to any Eurodollar Borrowing for any Interest Period, the rate per annum equal to the London interbank offered rate as administered by ICE Benchmark Administration Limited (or any successor to, or substitute for, such service, providing rate quotations comparable to those currently provided by ICE Benchmark Administration Limited, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) for deposits in Dollars (for delivery on such day) for such Interest Period as displayed on the Bloomberg Page BBAM1 screen page that displays such rate (or, in the event such rate does not appear on a page of the Bloomberg Page BBAM1 screen, on the appropriate page of such other information service that publishes such rate as shall be selected by the Administrative Agent from time to time in its reasonable discretion) at approximately 11:00 a.m. (London time) on the day which is two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period; provided if such offered rate shall be less than zero, such rate shall be zero for the purposes of this Agreement. In the event that no such rate is available to the Administrative Agent, LIBO Rate shall be equal to a rate per annum equal to the average rate (rounded upwards, if necessary, to the next 1/100 of 1%) at which the Administrative Agent determines that Dollars in an amount comparable to the amount of the applicable advances are being offered to prime banks at approximately 11:00 a.m. (London time) on the day which is two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period for settlement in immediately available funds by leading banks in the London interbank market selected by the Administrative Agent; provided if such determination by the Administrative Agent shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset, and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

“Loan Document” means this Agreement, each Guaranty Agreement, the Security Documents, the Notes and any other documents, agreements, certificates or instruments executed by or on behalf of any Loan Party or entered into in connection herewith.

“Loan Party” means, individually, each of the Borrower and each Guarantor and “Loan Parties” means, collectively, the Borrower and Guarantors.

“Loans” means the revolving loans made by the Lenders to the Borrower pursuant to Section 2.1.

“Luxembourg Guaranty Agreement” means the guaranty made by the Globant S.A. (Luxembourg) in favor of the Administrative Agent for the benefit of the Secured Parties, in form and substance satisfactory to the Administrative Agent.

“Material Adverse Effect” means a material adverse effect on (a) the business, assets, property, operations or financial condition of the Loan Parties and the Subsidiaries of the Borrower, taken as a whole, (b) the ability of any Loan Party to perform any of its obligations under any Loan Document, or (c) the validity or enforceability of this Agreement or any other Loan Document or the rights of or remedies or benefits available to the Administrative Agent and the Lenders under the Loan Documents.

“Material Indebtedness” means Indebtedness (other than the Loans), or obligations in respect of one or more Hedging Agreements, of any one or more of the Loan Parties in an aggregate principal amount exceeding \$10,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of any Loan Party in respect of any Hedging Agreement at any time shall be the maximum aggregate amount that such Loan Party would be required to pay if such Hedging Agreement were terminated at such time.

“Material Subsidiary” means any direct and indirect Subsidiary of the Borrower that at any date of determination, holds more than \$5,000,000 in assets (as determined in accordance with IFRS) and has generated more than \$5,000,000 in revenue (determined in accordance with IFRS) for the Computation Period ending on the last day of the most recent period for which financial statements have been delivered after the Effective Date pursuant to Section 5.1; provided that all Subsidiaries that are not individually a “Material Subsidiary” shall not have aggregate total assets of more than \$5,000,000 as of such date (determined in accordance with IFRS) or have generated more than \$5,000,000 in aggregate total revenues (determined in accordance with IFRS) for such Computation Period.

“Maturity Date” means August 2, 2022 or any earlier date on which repayment of the Obligations in respect of Loans is accelerated pursuant to the terms hereof.

“Maximum Leverage Ratio” means, as of the last day of any fiscal quarter, the ratio of (a) Consolidated Total Debt as of such day to (b) Consolidated EBITDA for the Computation Period ending on such day.

“Moody’s” means Moody’s Investors Service, Inc., and any successor thereto.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Non-Consenting Lender” means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all affected Lenders in accordance with the terms of Section 9.2(b), and (b) has been approved by the Required Lenders.

“Non-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time.

“Note” has the meaning specified in Section 2.9(e).

“Obligations” means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document, or otherwise with respect to any Loan, in each case whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Law naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding; provided that the “Obligations” shall exclude any Excluded Swap Obligations.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.19(b)).

“Participant” has the meaning specified in Section 9.4(d).

“Participant Register” has the meaning specified in Section 9.4(d).

“PATRIOT Act” means the “Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001” (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Pension Plan” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the IRC or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Permitted Encumbrances” means:

(a) Liens imposed by law for taxes that are not yet due or are being contested in compliance with Section 5.4;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 5.4;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations, other than any Lien imposed by ERISA;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under Section 7.1(k);

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or materially interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

(g) any interest or title of a lessor under any operating lease entered into by the Borrower or any Subsidiary in the ordinary course of its business and covering only the assets so leased;

(h) leases and subleases granted to others by the Borrower or any Subsidiary of the Borrower in the ordinary course of business on any real property that do not materially interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries;

(i) non-exclusive licenses of intellectual property granted in the ordinary course of business which do not, in any case, (x) materially detract from the value of the intellectual property subject thereto or (y) materially interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries and exclusive licenses of intellectual property granted in connection with any sale of assets permitted hereunder;

(j) Liens in favor of customs and revenue authorities arising as a matter of law which secure payment of customs duties in connection with the importation of goods;

(k) Liens arising solely by virtue of any statutory or common law provision relating to bankers' liens, rights of setoff or similar rights;

(l) customary restrictions on dispositions of assets to be disposed of pursuant to merger agreements, stock or asset purchase agreements and similar agreements, in each case, to the extent the entry into such agreements is otherwise permitted hereunder;

(m) Liens securing lease, utility and other similar deposits in the ordinary course of business;

(n) setoff rights in connection with repurchase obligations in favor of the counterparty to such obligations in connection with Cash Equivalent Investments of a type referred to in clause (d) of the definition thereof; and

(o) customary restrictions on assignment and transfer in intellectual property licenses under which the Borrower or any Subsidiary is a licensor or licensee;

provided that, the term “Permitted Encumbrances” shall not include any Lien securing Indebtedness.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any employee benefit plan (as defined in Section 3(3) of ERISA, including a Pension Plan), maintained, contributed to or required to be contributed to, by the Borrower or with respect to which the Borrower may have any liability.

“Platform” means Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by HSBC as its “prime rate” in effect at its office located at New York, New York; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective. The “prime rate” is a rate set by HSBC based upon various factors including HSBC’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by HSBC shall take effect at the opening of business on the day specified in the public announcement of such change.

“Recipient” means (a) the Administrative Agent and (b) any Lender, as applicable.

“Register” has the meaning specified in Section 9.4(c).

“Regulation U” means Regulation U of the FRB.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“Removal Effective Date” has the meaning specified in Section 8.6.

“Required Lenders” means, at any time, at least two Lenders having more than 50% of the Aggregate Credit Exposure of all Lenders; provided that, at any time only one Lender holds the Aggregate Credit Exposure, such Lender shall constitute the Required Lenders for

purposes hereof. The Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

“Resignation Effective Date” has the meaning specified in Section 8.6(a).

“Responsible Officer” means the chief executive officer, chief operating officer, president or Financial Officer of the Borrower, Globant S.A. (Luxembourg) or Globant S.A.U. (Spain), as applicable.

“Restricted Payment” means (i) any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in the Borrower or any Subsidiary or any option, warrant or other right to acquire any such Equity Interests in the Borrower or any Subsidiary, (ii) any payment of management fees or similar fees by the Borrower or any Subsidiary to any of its equity holders or any Affiliate thereof and (iii) any purchase of Equity Interests from present or former officers, directors or employees (or their respective spouses, ex-spouses or estates) of any Loan Party or any of their Subsidiaries in connection with restricted stock or the exercise of stock options, stock appreciation rights or similar equity incentives or equity based incentives pursuant to management incentive plans upon the death, disability, retirement, severance or termination of employment of such officer, director or employee.

“S&P” means S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, and any successor thereto.

“Sanctions” has the meaning specified in Section 3.14.

“SEC” means the Securities and Exchange Commission or any Governmental Authority succeeding to any of its principal functions.

“Secured Obligations” means, collectively, (i) the Obligations, and (ii) all obligations of any Loan Party under any Lender Provided Hedging Agreement or any Lender Provided Financial Service Product, in each case whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party of any proceeding under any Debtor Relief Law naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding; provided that, the “Secured Obligations” shall exclude any Excluded Swap Obligations.

“Secured Parties” means the Administrative Agent, each Lender and any other holder of Secured Obligations.

“Security Agreement” means the Security Agreement made by the Loan Parties in favor of the Administrative Agent for the benefit of the Secured Parties, substantially in the form of Exhibit C.

“Security Documents” means the Security Agreement and all other security documents hereafter delivered to the Administrative Agent granting a Lien on any property of any Person to secure the Secured Obligations.

“Spanish Guaranty Agreement” means the guaranty made by the Globant S.A. (Spain) in favor of the Administrative Agent for the benefit of the Secured Parties, in form and substance satisfactory to the Administrative Agent.

“Subsidiary” means, with respect to any Person, any other Person the accounts of which would be consolidated with those of such Person in such Person’s consolidated financial statements if such financial statements were prepared in accordance with IFRS as well as any other Person (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, by such Person, or (b) that is, as of such date, otherwise Controlled by such Person. Unless the context otherwise specifically requires, the term “Subsidiary” shall refer to a Subsidiary of the Borrower.

“Swap Obligations” means with respect to any Guarantor any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Total Credit Exposure” means, as to any Lender at any time, the outstanding unused Commitments and the Credit Exposure of such Lender at such time.

“Trade Date” has the meaning specified in Section 9.4(b)(i)(B).

“Transaction Costs” means, with respect to the Transactions or any Acquisition, the reasonable and documented fees, charges and other amounts related to the Transactions (including, in each case, any reasonable and documented underwriting, commitment, arrangement, structuring or similar fees), reasonable and documented merger and acquisition fees (including any investment and banking or brokerage fees), reasonable and documented legal fees and expenses, consulting and valuation fees, due diligence fees or any other fees and expenses in connection therewith).

“Transactions” means the execution, delivery and performance by the Loan Parties of the Loan Documents, the borrowing of Loans and the use of the proceeds thereof.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the LIBO Rate or the Alternate Base Rate.

“UK Bribery Act” has the meaning specified in Section 3.23.

“United States” and “U.S.” mean the United States of America.

“Unrestricted Cash” means, as of any date of determination, the aggregate cash and investments described in clauses (a) through (h) of the definition of Cash Equivalent Investments including in the cash and investments described in clauses (a) through (h) of the definition of Cash Equivalent Investments listed on the consolidated balance sheet of the Borrower, without duplication and in accordance with IFRS, as at such date (excluding any amount thereof listed as “restricted”).

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the IRC.

“U.S. Tax Compliance Certificate” is defined in Section 2.17(g).

“Wholly Owned Subsidiary” means, as to any Person, any other Person all of the Equity Interests of which (other than directors’ qualifying shares required by law) are owned by such Person directly and/or through other Wholly Owned Subsidiaries.

“Withholding Agent” means any Loan Party and the Administrative Agent.

“Write-Down and Conversion Powers” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

Section 1.2 Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a “Eurodollar Loan”). Borrowings also may be classified and referred to by Type (e.g., a “Eurodollar Borrowing”).

Section 1.3 Terms Generally; Rules of Construction. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, amended and restated, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

Section 1.4 Accounting Terms and Determinations; IFRS. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with IFRS, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in IFRS or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in IFRS or in the application thereof, then such provision shall be interpreted on the basis of IFRS as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

Section 1.5 Rounding. Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number.

Section 1.6 Time of Day. Unless otherwise specified, all references herein to time of day shall be references to Eastern time (daylight or standard, as applicable).

ARTICLE II

The Credits

Section 2.1 Commitments. Subject to the terms and conditions set forth herein, each Lender (severally and not jointly) agrees to make Loans to the Borrower in Dollars from time to time during the Availability Period in an aggregate principal amount that will not result in (i) such Lender's Credit Exposure exceeding such Lender's Commitment then in effect, or (ii) the sum of the total Credit Exposure exceeding the aggregate Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Loans.

Section 2.2 Loans and Borrowings. (a) Each Loan shall be made as part of a Borrowing consisting of Loans of the same Type made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that, the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.13, each Borrowing shall be comprised entirely of Base Rate Loans or Eurodollar Loans as the Borrower may request in accordance with this Agreement; provided that, all Borrowings made on the Effective Date must be made as Base Rate Borrowings (unless the Borrower executes a funding indemnity letter in form and substance reasonably satisfactory to the Administrative Agent) but may be converted into Eurodollar Borrowings in accordance with Section 2.7. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan;

provided that, any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$500,000. At the time that each Base Rate Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$100,000 and not less than \$100,000; provided that, a Base Rate Borrowing may be in an aggregate amount that is equal to the entire unused balance of the aggregate Commitments then in effect. Borrowings of more than one Type may be outstanding at the same time; provided that, there shall not at any time be more than a total of seven Eurodollar Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue any Eurodollar Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

Section 2.3 Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by submitting a Borrowing Request signed by the Borrower by (a) in the case of a Eurodollar Borrowing, not later than 1:00 p.m. three Business Days before the date of the proposed Borrowing or (b) in the case of a Base Rate Borrowing, not later than 1:00 p.m. one Business Day before the date of the proposed Borrowing. Each such Borrowing Request shall be irrevocable and shall be submitted by hand delivery, telecopy or electronic communication to the Administrative Agent. Each such Borrowing Request shall specify the following information in compliance with Section 2.2:

- (i) the aggregate principal amount of the requested Borrowing;
- (ii) the date of such Borrowing, which shall be a Business Day;
- (iii) whether such Borrowing is to be a Base Rate Borrowing or a Eurodollar Borrowing;
- (iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and
- (v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.6.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be a Base Rate Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

Section 2.4 Reserved.

Section 2.5 Reserved.

Section 2.6 Funding of Borrowings.

(a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders in an amount equal to such Lender's Applicable Percentage. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent in New York, New York and designated by the Borrower in the applicable Borrowing Request.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with clause (a) of this Section and may, in its sole and absolute discretion in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, or (ii) in the case of the Borrower, the interest rate applicable to Base Rate Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent. Nothing in this Section 2.6(b) shall obligate the Administrative Agent to prefund any amount.

Section 2.7 Interest Elections. (a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request or as otherwise specified in Section 2.3. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by submitting an Interest Election Request signed by the Borrower by the time that a Borrowing Request would be required under Section 2.3 if the

Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such Interest Election Request shall be irrevocable and shall be submitted by hand delivery, teletype or electronic communication to the Administrative Agent.

(c) Each written Interest Election Request shall specify the following information in compliance with Section 2.2:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be a Base Rate Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period."

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to a Base Rate Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to a Base Rate Borrowing at the end of the Interest Period applicable thereto.

Section 2.8 Termination and Reduction of Commitments. (a) Unless previously terminated, the Commitments shall be automatically and permanently reduced to zero on the Maturity Date.

(b) The Borrower may, at any time and from time to time, reduce or terminate the Commitments; provided that, (i) each partial reduction of the Commitment shall be in a

minimum amount of \$5,000,000 or in an integral multiple of \$1,000,000 in excess thereof, and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.10, the sum of the Credit Exposure would exceed the aggregate Commitments.

(c) The Borrower shall notify the Administrative Agent of any election to reduce or terminate the Commitments under clause (b) of this Section at least three Business Days prior to the effective date of such reduction or termination, specifying such election and the effective date thereof. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that, any such notice of reduction or termination of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or the closing of another transaction, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any reduction or termination of the Commitments shall be permanent.

(d) Each reduction in the Commitments shall be made ratably among the Lenders in accordance with their respective applicable Commitments.

Section 2.9 Repayment of Loans; Evidence of Debt.

(a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then-unpaid principal amount of each Loan on the Maturity Date.

(b) Each Lender shall maintain, in accordance with its usual practice, an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder and any promissory note evidencing such Loan, the Type thereof and the Interest Period, if any, applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder, and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to clause (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the Obligations recorded therein; provided that, the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Obligations or the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note (each, a "Note") substantially in the form of Exhibit A. In such event, the Borrower shall prepare, execute and deliver to such Lender a Note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns). Thereafter,

the Loans evidenced by such Note and interest thereon shall at all times (including after assignment pursuant to Section 9.4) be represented by one or more Notes payable to the order of the payee named therein.

Section 2.10 Prepayment of Loans.

(a) Voluntary. The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with this Section.

(b) Notice Matters. The Borrower shall notify the Administrative Agent by submitting a written notice signed by the Borrower (by hand delivery, telecopy or electronic communication) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 1:00 p.m. three Business Days before the date of prepayment, or (ii) in the case of prepayment of a Base Rate Borrowing, not later than 1:00 p.m. one Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, any such notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.8, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.8. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing under Section 2.10(a) shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.2. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.12. If a Eurodollar Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.16.

(c) Overadvance. The Borrower shall prepay Loans hereunder in such amounts and at such times (including in connection with any optional or scheduled reduction of the total amount of the Commitments) to assure that the total Credit Exposure does not exceed the then-current total aggregate amount of Commitments.

Section 2.11 Fees.

(a) Commitment Fees. The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at 0.25% of the daily amount of the unused Commitment (if any) of such Lender during the period from and including the Effective Date to but excluding the date on which such Commitment terminates. Accrued commitment fees shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the Commitments terminate, commencing on the first such date to occur after the date hereof.

(b) Administrative Agent's Fees. The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(c) Computation of Fees; Etc. All fees payable under this Section shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). Each determination by the Administrative Agent of a fee hereunder shall be conclusive absent manifest error. All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, in the case of commitment fees, to the Lenders. Fees, once paid, shall be fully earned and shall not be refundable under any circumstances.

Section 2.12 Interest.

(a) The Loans comprising each Base Rate Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at the LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding anything to the contrary herein, upon the request of the Required Lenders, at any time an Event of Default exists, (i) the Applicable Rate with respect to each Loan shall be increased by 2%, and (ii) all other amounts payable by the Borrower hereunder shall bear interest at a rate 2% above the rate applicable to Base Rate Borrowings as provided in clause (a) above, in each of the foregoing clauses (i) and (ii), after as well as before judgment; provided, that the increases described in this clause (c) shall be effective immediately upon (x) any amount of principal of any Loan not being paid when due (without regard to any applicable grace period), whether at stated maturity, by acceleration or otherwise, or (y) an Event of Default described in Section 7.1(h) or Section 7.1(i).

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and upon termination of the Commitments; provided that, (i) interest accrued pursuant to clause (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of a Base Rate Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment, and (iii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and, in each case, shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

Section 2.13 Alternate Rate of Interest. Notwithstanding any other provision of this Agreement, if prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the LIBO Rate for an Interest Period with the duration of such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for an Interest Period with the duration of such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone, followed promptly by written confirmation thereof delivered by telecopy or (if arrangements for doing so have been approved by the Administrative Agent) electronic communication as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, then (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing with an Interest Period having the duration of such Interest Period shall be ineffective and any such Eurodollar Borrowing shall be repaid on the last day of the then current Interest Period applicable thereto and (ii) if any Borrowing Request requests a Eurodollar Borrowing with an Interest Period having the duration of such Interest Period, such Borrowing shall be made as a Eurodollar Borrowing having an Interest Period with the shortest available duration described in the definition of "Interest Period" or, in the absence of any such available duration, as a Base Rate Borrowing.

Section 2.14 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by Section 2.14(e));

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of "Excluded Taxes", and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or other Recipient, the Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such

Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy and liquidity), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or other Recipient setting forth the amount or amounts necessary to compensate such Lender or other Recipient or its holding company, as the case may be, as specified in clause (a) or (b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender or other Recipient, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or other Recipient to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or other Recipient's right to demand such compensation; provided that, the Borrower shall not be required to compensate a Lender or other Recipient pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or other Recipient, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's or such other Recipient's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Eurocurrency Liabilities. The Borrower shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each Eurodollar Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan; provided that, the Borrower shall have received at least ten (10) days' prior notice (with a copy to the Administrative Agent) of such additional interest from such Lender. If a Lender fails to give notice ten (10) days prior to the relevant Interest Payment Date, such additional interest shall be due and payable ten (10) days from receipt of such notice.

Section 2.15 Change in Legality. Notwithstanding any other provision of this Agreement, if any Change in Law shall make it unlawful for any Lender to make or maintain, or convert any Loan into, a Eurodollar Loan, then, upon written notice by such Lender to the

Borrower and to the Administrative Agent, which notice shall specify the extent of such unlawfulness (e.g., whether such unlawfulness applies to Eurodollar Loans generally or only to Interest Periods of a particular length):

(a) any request for the making or continuation of, or the conversion of Base Rate Loans into, Eurodollar Loans shall, solely as to such Lender and to the extent a Eurodollar Loan by such Lender would be (or during the applicable Interest Period would become) unlawful, be disregarded and the portion of the Loan of such Lender that would be part of the applicable Borrowing of Eurodollar Loans shall be made as, converted to or continue to be maintained as a Base Rate Loan (or bear interest at such other rate as may be agreed between the Borrower and such Lender); and

(b) each outstanding Eurodollar Loan of such Lender shall, on the last day of the Interest Period therefor (unless such Loan may be continued as a Eurodollar Loan for the full duration of any requested new Interest Period without being unlawful) or on such earlier date as such Lender shall specify is necessary pursuant to the applicable Change in Law, convert to a Base Rate Loan.

Section 2.16 Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or as a result of any prepayment pursuant to Section 2.10), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.8(c) and is revoked in accordance therewith), or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. Such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Loan had such event not occurred, at the LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then-current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan) over (ii) the amount of interest that would accrue on such principal amount for such period at the interest rate that such Lender would bid were it to bid, at the commencement of such period, for Dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section, including in reasonable summary detail a description of the basis for such compensation and a calculation of such amount or amounts, shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

Section 2.17 Taxes.

(a) FATCA. For purposes of this Section 2.17, the term "Applicable Law" includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by the Borrower. The Borrower shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or, at the option of the Administrative Agent, timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by the Loan Parties. The Loan Parties shall jointly and severally indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.4(d) relating to the maintenance of a Participant Register, and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this clause (e).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.17, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by

such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Status of Lenders.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 2.17(g)(ii)(A) and 2.17(g)(ii)(B) and 2.17(h) below) shall not be required if, in the Lender's reasonable judgment, such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party, (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN or W-8BEN-

E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” Article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” Article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the IRC, (x) a certificate substantially in the form of Exhibit D-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the IRC, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the IRC, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the IRC (a “U.S. Tax Compliance Certificate”), and (y) executed originals of IRS Form W-8BEN or W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-2 or Exhibit D-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that, if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-4 on behalf of each such direct and indirect partner; and

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient), on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made.

(h) Documentation Required by FATCA. If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the IRC, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the IRC) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (h), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(i) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including by the payment of additional amounts pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this clause (i) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this clause (i), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this clause (i) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This clause (i) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(j) Survival. Each party's obligations under this Section 2.17 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

(k) Updates. Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 2.17 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

Section 2.18 Payments Generally; Pro Rata Treatment; Sharing of Setoffs.

(a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or of amounts payable under Section 2.14, 2.16 or 2.17, or otherwise) prior to 2:00 p.m. on the date when due, in immediately available funds, without defense, deduction, recoupment, setoff or counterclaim. Any amounts received after such time on any date may, in the sole and absolute discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon and fees with respect thereto. All such payments shall be made to the Administrative Agent at its offices at 425 5th Avenue, New York, NY 10018, except that payments pursuant to Sections 2.14, 2.16, 2.17 and 9.3 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in Dollars.

(b) Except as otherwise provided in Section 7.2, if, at any time, insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (i) notify the Administrative Agent of such fact, and (ii) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing to them; provided that:

(x) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(y) the provisions of this Section 2.18(c) shall not be construed to apply to (A) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), or (B) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant.

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may in its sole and absolute discretion assume that the Borrower has made such payment on such date in accordance herewith and may, in its sole and absolute discretion in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. Nothing in this Section 2.18(d) shall obligate the Administrative Agent to prefund any amount.

(e) The obligations of the Lenders hereunder to make Loans and to make payments pursuant to Section 9.3(c) are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under Section 9.3(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 9.3(c).

Section 2.19 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 2.14, or delivers a notice described in Section 2.15, or requires the Borrower to pay any Indemnified Tax or additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce any amount payable pursuant to Section 2.14 or 2.17, or illegality, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 2.14, or if any Lender delivers a notice described in Section 2.15 or if the Borrower is required to pay any Indemnified Tax or additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with

Section 2.19(a) (each such Lender, an “Increased Cost Lender”), or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 9.4), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.14 or Section 2.17) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(i) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 9.4 (other than in the case of the replacement of a Defaulting Lender or a Non-Consenting Lender);

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 2.16) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 2.14 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) in the case of any such assignment resulting from a notice of illegality under Section 2.15, such assignment will eliminate such illegality;

(v) such assignment does not conflict with Applicable Law; and

(vi) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply. Each Lender hereby grants to the Administrative Agent an irrevocable power of attorney (which power is coupled with an interest) to execute and deliver, on behalf of such Lender, as assignor, any Assignment and Assumption necessary to effect any assignment of such Lender’s interests hereunder in the circumstances contemplated by this Section 2.19. Each Lender agrees that if the Borrower exercises its option hereunder to cause an assignment by such Lender as an Increased Cost Lender, Non-Consenting Lender or Defaulting Lender, such Lender shall, promptly after receipt of written notice of such election, execute and deliver all documentation necessary to effect such assignment in accordance with Section 9.4. In the event that a Lender does not comply with the requirements of the immediately preceding sentence within one (1) Business Day after receipt of such notice, each Lender hereby authorizes and directs the Administrative Agent to execute and

deliver such documentation as may be required to give effect to an assignment in accordance with Section 9.4 on behalf of an Increased Cost Lender, Non-Consenting Lender or Defaulting Lender and any such documentation so executed by the Administrative Agent shall be effective for purposes of documenting an assignment pursuant to Section 9.4.

Section 2.20 Reserved.

Section 2.21 Defaulting Lenders.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement or any other Loan Document shall be restricted as set forth in the definition of Required Lenders.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 7.1 or otherwise), or received by the Administrative Agent from a Defaulting Lender pursuant to Section 9.8, shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; third, if so determined by the Administrative Agent in its sole and absolute discretion, to be held in a deposit account as Cash Collateral for release in such order as the Administrative Agent shall determine in order to satisfy (x) such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement, and (y) such Defaulting Lender's future indemnity obligations to the Administrative Agent under this Agreement; fourth, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; fifth, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and sixth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that, if (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made at a time when the conditions set forth in Section 4.2 were satisfied or waived, such payment shall be applied

solely to pay the Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are funded pro rata in accordance with their Commitments. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.21(a)(ii), shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees. No Defaulting Lender shall be entitled to receive any commitment fee pursuant to Section 2.11(a) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(b) Defaulting Lender Cure. If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans to be held pro rata by the Lenders in accordance with their Commitments, whereupon such Lender will cease to be a Defaulting Lender; provided that, no adjustment will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided further that, except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

ARTICLE III

Representations and Warranties

The Borrower represents and warrants to the Administrative Agent and the Lenders that:

Section 3.1 Organization; Powers. Each of the Borrower and its Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to own or lease its property and to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification.

Section 3.2 Authorization; Enforceability. The Transactions are within the corporate or other applicable organizational powers of the Loan Parties and have been duly authorized by all necessary corporate or other applicable organizational actions and, if required, actions by stockholder and other equity holders. This Agreement has been, and each other Loan Document,

when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is a party thereto and constitutes, or will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Section 3.3 Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority or any other Person, except such as have been obtained or made and are in full force and effect, (b) will not violate any Applicable Law or the charter, by-laws or other organizational documents of any Loan Party or any Subsidiary of the Borrower or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon any Loan Party or any Subsidiary of the Borrower or their assets, or give rise to a right thereunder to require any payment to be made by any Loan Party or any Subsidiary of the Borrower, and (d) will not result in the creation or imposition of any Lien on any asset of any Loan Party or any Subsidiary of the Borrower (except for Liens created by the Security Documents).

Section 3.4 Financial Condition; No Material Adverse Effect.

(a) The Borrower has furnished the Lenders a balance sheet and statements of income, stockholders' equity and cash flows of Globant S.A. (Luxembourg) and its Subsidiaries on a Consolidated basis as of and for the fiscal year ended 2016, audited on by independent public accountants. Such financial statements were prepared in accordance with IFRS consistently applied, present fairly the financial position and results of operations and cash flows of Globant S.A. (Luxembourg) and its Subsidiaries on a Consolidated basis as of such dates and for such periods.

(b) No Loan Party has any material liabilities, contingent or otherwise, or forward or long-term commitments that are not disclosed in the financial statements referred to in Section 3.4(a) or in the notes thereto. No Material Adverse Effect has occurred since Effective Date and no other facts or circumstances exist nor has any development or event occurred that has had or could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(c) All balance sheets, all statements of income and of cash flows and all other financial information of Globant S.A. (Luxembourg) and its Subsidiaries furnished pursuant to Section 5.1 have been and will for periods following the Effective Date be prepared in accordance with IFRS consistently applied, and do or will present fairly the financial condition of the Persons covered thereby on a Consolidated basis as at the dates thereof and the results of their operations for the periods then ended.

(d) The forecasted balance sheet and statements of income and cash flows of Globant S.A. (Luxembourg) and its Subsidiaries delivered pursuant to Section 5.1(d) were prepared on a Consolidated basis in good faith on the basis of the assumptions stated therein, which assumptions were fair in light of the conditions existing at the time of delivery of such

forecasts, and represented, at the time of delivery, Globant S.A. (Luxembourg)'s reasonable estimate of its future financial condition and performance, it being understood that such forecasts (i) are subject to significant uncertainties and contingencies, many of which are beyond the Borrower's control, that no assurance can be given that any particular projections will be realized, the actual results may differ and that such differences may be material and (ii) are not a guarantee of performance.

Section 3.5 Properties. Each of the Borrower and its Subsidiaries has (i) in the case of owned real property, good and marketable title to, (ii) in the case of owned personal property, good and valid title to, and (iii) in the case of leased real or personal property, valid and enforceable leasehold interests (as the case may be) in, all its real and personal property necessary or used in the ordinary conduct of its business, except for defects in title that could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. The property of the Borrower and its Subsidiaries is subject to no Liens, other than Liens permitted by Section 6.3.

Section 3.6 Litigation and Environmental Matters.

(a) There are no actions, suits, litigation, investigations or proceedings by, of or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened by or against or affecting any Loan Party or any Subsidiary of the Borrower or against any of its property or assets (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters), or (ii) that involve, or purport to affect or pertain to, this Agreement, any other Loan Document or the Transactions.

(b) Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, no Loan Party or Subsidiary of the Borrower (i) has failed to comply with any Environmental Law or any remediation order, notice of claim, notice of infraction or other order under any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability, or (iv) knows of any basis for any Environmental Liability.

(c) Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, with respect to any real property owned or leased by any Loan Party or any Subsidiary of the Borrower, (i) there has been no release of Hazardous Materials at, from, or to the real property, including the soils, surface waters, or ground waters thereof, and (ii) there are no conditions at the real property which, with the passage of time, or giving of notice, or both, would be reasonably likely to result in an Environmental Liability.

(d) Since the date of this Agreement, there has been no change in the status, or financial effect on any Loan Party or any Subsidiary of the Borrower, of the Disclosed Matters that, individually or in the aggregate, has resulted in a Material Adverse Effect.

Section 3.7 Compliance with Laws and Contractual Obligations; No Defaults. Each Loan Party and each Subsidiary of the Borrower is in compliance in all material respects with all Applicable Laws. Each Loan Party and each Subsidiary of the Borrower is in compliance with all of its Contractual Obligations, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. Neither any Loan Party nor any Subsidiary of the Borrower is in default under or with respect to any Contractual Obligation that could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing or would result from the consummation of the Transactions.

Section 3.8 Investment Company Status; Other Laws. No Loan Party or Subsidiary of the Borrower is or is required to be registered as an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940.

Section 3.9 Taxes. Each Loan Party and each Subsidiary of the Borrower has timely filed or caused to be filed all federal, state and other material Tax returns and reports required to have been filed by it and has paid or caused to be paid all federal, state and other material taxes, assessments, fees and other governmental charges required to have been paid by it or levied or imposed upon it or its properties, income or assets otherwise due and payable, except Taxes that are being contested in good faith by appropriate proceedings diligently conducted and for which the Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves in accordance with IFRS.

Section 3.10 ERISA Compliance. Each Plan is in compliance in all material respects with all applicable requirements of ERISA, the IRC and other Applicable Law. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. No claim, action, suit, audit or investigation with respect to any Plan exists or has been commenced or, to the knowledge of the Borrower, threatened, other than routine claims for benefits and except for such claims, actions, suits, audits and investigations that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules arising under ERISA with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect. The Borrower and each ERISA Affiliate has complied with the Funding Rules with respect to each Pension Plan, and no waiver of the minimum funding requirements under the Funding Rules has been applied for or obtained. As of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430 of the IRC) is 60% or higher and no facts or circumstances exist that could reasonably be expected to cause the funding target attainment percentage to drop below such threshold as of the most recent valuation date.

Section 3.11 Insurance. Set forth on Schedule 3.11 is a complete and accurate summary of the property and casualty insurance program of the Loan Parties as of the Effective Date (including the names of all insurers, policy numbers, expiration dates, amounts and types of coverage, annual premiums, exclusions, deductibles, self-insured retention and a description in reasonable detail of any self-insurance program, retrospective rating plan, fronting arrangement or other risk assumption arrangement involving any Loan Party). The properties of the Borrower

and its Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of the Borrower, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Borrower or the applicable Subsidiary operates.

Section 3.12 Margin Regulations. No Loan Party and no Subsidiary thereof is engaged or will engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U), or extending credit for the purpose of purchasing or carrying margin stock. No part of the proceeds of any Loan will be used, directly or indirectly, to purchase or carry, or to extend credit to others to purchase or carry, any margin stock (within the meaning of Regulation U) or for any other purpose that entails a violation of any Regulations of the FRB, including Regulation U.

Section 3.13 Subsidiaries; Equity Interests. No Loan Party has any Subsidiaries other than those specifically disclosed in Part I of Schedule 3.13 (and any Subsidiaries that are permitted to have been organized or acquired after the Effective Date in accordance with Section 6.6). All of the outstanding Equity Interests in such Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by a Loan Party in the amounts specified on Part I of Schedule 3.13 free and clear of all Liens (other than Liens created by the Security Documents and Liens permitted under Section 6.3). No Loan Party has any equity investments in any other Person other than those specifically disclosed in Part II of Schedule 3.13 (and any Subsidiaries that are permitted to have been organized or acquired after the Effective Date in accordance with Section 6.6). All of the outstanding Equity Interests in the Borrower have been validly issued, and are fully paid and nonassessable and are owned by Globant S.A. (Spain) in the amounts specified on Part III of Schedule 3.13 free and clear of all Liens.

Section 3.14 Sanctions. Neither any Loan Party nor any Subsidiary of a Loan Party has any director or officer, or any employee, agent, or affiliate, of such any such Loan Party or Subsidiary is a Person that is, or is owned or controlled by Persons that are, (i) the subject of any sanctions administered or enforced by the US Department of the Treasury's Office of Foreign Assets Control, the US Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury, the Hong Kong Monetary Authority or other relevant sanctions authority (collectively, "Sanctions"), or (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions, including, without limitation, currently, Cuba, the Crimea region of the Ukraine, Iran, North Korea, Sudan and Syria.

Section 3.15 Disclosure. The Borrower has disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which it or any Loan Party or any Subsidiary of the Borrower is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. The reports, financial statements, certificates or other information (whether in writing or orally) furnished by or on behalf of any Loan Party to the Administrative Agent or any Lender pursuant to or in connection with the Loan Documents (as modified or supplemented by other information so furnished), when taken as a whole, do not contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith

based upon assumptions believed to be reasonable at the time made, it being understood that such forecasts (i) are not to be viewed as facts and are subject to significant uncertainties and contingencies, many of which are beyond the Borrower's control, that no assurance can be given that any particular projections will be realized, that actual results may differ and that such differences may be material and adverse and (ii) are not a guarantee of performance.

Section 3.16 Security Documents. The Security Agreement, upon execution and delivery thereof by the parties thereto, is effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof. In the case of the Collateral described in the Security Agreement, when financing statements and other filings in appropriate form are or have been filed in the appropriate offices, the Security Agreement shall constitute a fully perfected first priority Lien on, and security interest in, all right, title and interest of each Loan Party in such Collateral and the proceeds thereof solely to the extent a security interest can be perfected solely by such filing or other action required thereunder as security for the Secured Obligations, in each case prior and superior in right to any other Person (except for Liens permitted by Section 6.3).

Section 3.17 Solvency, etc.

(a) On the Effective Date, and immediately prior to and after giving effect to the Transactions and each Borrowing hereunder and the use of the proceeds thereof, with respect to the Borrower, individually, (a) the fair value of its assets is greater than the amount of its liabilities (including contingent liabilities), (b) the present fair saleable value of its assets is not less than the amount that will be required to pay the probable liability on its debts as they become absolute and matured, (c) it is able to pay its debts and other liabilities (including contingent liabilities) as they become absolute and matured in the ordinary course of business, (d) it does not intend to, and does not believe that it will, incur debts or liabilities beyond its ability to pay as such debts and liabilities mature, and (e) it is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which its property would constitute unreasonably small capital; provided that, the amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

(b) On the Effective Date, and immediately prior to and after giving effect to the Transactions and each Borrowing hereunder and the use of the proceeds thereof, (a) the fair value of the assets of the Loan Parties (on a Consolidated basis) is greater than the amount of the liabilities (including contingent liabilities), (b) the present fair saleable value of the assets of the Loan Parties (on a Consolidated basis) is not less than the amount that will be required to pay the probable liability of the Loan Parties (on a Consolidated basis) on their debts as they become absolute and matured, (c) the Loan Parties (on a Consolidated basis) are able to pay their debts and other liabilities (including contingent liabilities) as they become absolute and matured in the ordinary course of business, (d) the Loan Parties do not intend to, and do not believe that they will, incur debts or liabilities beyond their ability to pay as such debts and liabilities mature, and (e) the Loan Parties (on a Consolidated basis) are not engaged in business or a transaction, and are not about to engage in business or a transaction, for which their property would constitute

unreasonably small capital; provided that, the amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

Section 3.18 Reserved.

Section 3.19 Burdensome Obligations. No Loan Party is a party to any agreement or contract or subject to any restriction contained in its organizational documents which could reasonably be expected to have a Material Adverse Effect.

Section 3.20 Labor Matters. Except as set forth on Schedule 3.20, no Loan Party is subject to any labor or collective bargaining agreement. There are no existing or threatened strikes, lockouts or other labor disputes involving any Loan Party that, individually or in the aggregate could reasonably be expected to have a Material Adverse Effect. Hours worked by and payment made to employees of the Loan Parties are not in violation of the Fair Labor Standards Act or any other Applicable Law dealing with such matters in any material respect.

Section 3.21 Reserved

Section 3.22 EEA Financial Institution. No Loan Party is an EEA Financial Institution.

Section 3.23 Anti-Corruption. No Loan Party or Subsidiary of a Loan Party or, to the knowledge of any such party, any director, officer, agent, employee, Affiliate or other Person acting on behalf of any such party is aware or has taken any action, directly or indirectly, that would result in a violation by such Persons of any applicable anti-bribery law or anti-corruption law, including, but not limited to, the United Kingdom Bribery Act 2010 (the "UK Bribery Act") and the U.S. Foreign Corrupt Practices Act of 1977 (the "FCPA"). Furthermore, the Loan Parties and their respective Subsidiaries and, to the knowledge of any Loan Party or any of their Affiliates, have conducted their businesses in compliance with the UK Bribery Act, the FCPA and similar laws, rules or regulations (including other applicable anti-corruption laws) and have instituted and maintain policies and procedures designed to ensure, and which are reasonable expected to continue to ensure, continued compliance therewith.

Section 3.24 Use of Proceeds. The proceeds of the Loans, shall be used to pay fees, commissions and expenses of the Transactions, for general corporate purposes (including, without limitation, payments in connection with Acquisitions permitted hereunder) and working capital requirements of the Borrower.

ARTICLE IV

Conditions Precedent

Section 4.1 Effective Date. The obligations of the Lenders to make Loans shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.2):

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party, or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy or electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received the following, each in form and substance satisfactory to the Administrative Agent:

(i) a counterpart of (x) the Luxembourg Guaranty Agreement executed by Globant S.A. (Luxembourg) and (y) the Spanish Guaranty Agreement executed by Globant S.A. (Spain);

(ii) a counterpart of the Security Agreement executed by the Borrower;

(iii) each document (including Uniform Commercial Code financing statements) required by the Security Documents or reasonably requested by the Administrative Agent to be filed, registered or recorded in order to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a perfected Lien on the Collateral that is capable of being perfected by the filing of a Uniform Commercial Code financing statement described therein, prior to all other Liens (subject only to Liens permitted pursuant to Section 6.3), in proper form for filing, registration or recording;

(iv) certified copies of Uniform Commercial Code and other Lien search reports dated a date near to the Effective Date, listing all effective financing statements and other Lien filings that name the Borrower (under their current names and any previous names) as debtors, together with (A) copies of such financing statements or other Lien filings, and (B) such Uniform Commercial Code termination statements or amendments or other Lien terminations, as applicable, as the Administrative Agent may request;

(v) such documents, incumbency and other certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Loan Parties, the authorization of the Transactions, the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents and any other legal matters relating to the Loan Parties, this Agreement or the Transactions (it being understood and agreed that the Administrative Agent and the Lenders shall be entitled to conclusively rely on such documents, incumbency and certificates until notice is received by the Administrative Agent from the Borrower to the contrary);

(vi) evidence satisfactory to the Administrative Agent of the receipt of all consents required to effect the Transactions, including all regulatory approvals and licenses, if applicable;

(vii) evidence of the existence of insurance required to be maintained pursuant to Section 5.5, together with evidence that the Administrative Agent has been named as lender's loss payee and an additional insured on all related insurance policies; and

(viii) a certificate, dated the Effective Date and signed by a Responsible Officer of the Borrower, confirming compliance with the conditions set forth in clauses (a) and (b) of Section 4.2.

(c) The Administrative Agent shall have received favorable written legal opinions (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of New York counsel for the Loan Parties, Luxembourg counsel to Globant S.A. (Luxembourg), and Spanish counsel to Globant S.A. (Spain), each in form and substance reasonably satisfactory to the Administrative Agent, and covering such other matters relating to the Loan Parties, the Loan Documents or the Transactions as the Required Lenders shall reasonably request.

(d) Each Lender shall have received payment of all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced at least one (1) Business Day prior to the Effective Date, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder.

(e) The Administrative Agent and each Lender shall have received all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act, in each case, to the extent requested in writing at least five (5) Business Days prior to the Effective Date.

(f) Since December 31, 2016, there shall not have occurred any Material Adverse Effect.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

Section 4.2 Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Loan Parties set forth in the Loan Documents shall be true and correct in all material respects (except to the extent already qualified by materiality, in which case any such representation or warranty shall be true and correct in all respects) on and as of the date of such Borrowing, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (except to the extent already qualified by materiality, in which case any such representation or warranty shall be true and correct in all respects) as of such earlier date.

(b) At the time of and immediately after giving effect to such Borrowing, no Default or Event of Default shall have occurred or is continuing.

Each Borrowing shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in clauses (a) and (b) of this Section.

ARTICLE V

Affirmative Covenants

So long as any Lender has any Commitment hereunder, any Loans, any Obligations or any other amount payable hereunder or under any other Loan Document has not been paid in full, the Borrower covenants and agrees, for itself and its Subsidiaries, with the Administrative Agent and the Lenders that:

Section 5.1 Financial Statements and Other Information. The Borrower shall furnish, or shall cause to be furnished, to the Administrative Agent and each Lender:

(a) as soon as practicable, but in any event within 120 days after the end of each fiscal year:

(i) Globant S.A. (Luxembourg)'s audited balance sheet and related statements of operations (which shall include, for the avoidance of doubt, an accounts receivable report), shareholders' equity and cash flows as of the end of and for such year on a Consolidated basis, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by independent public accountants selected by Globant S.A. (Luxembourg) and reasonably acceptable to the Administrative Agent (it being understood and agreed that Deloitte & Co. S.A. is deemed acceptable to the Administrative Agent) (without any qualification or exception which (x) is of a "going concern" or similar nature (other than any qualifications arising from the Loans hereunder maturing, in accordance with their terms on a non-accelerated basis, less than one year following the date of such financial statements), (y) relates to the limited scope of examination of matters relevant to such financial statement, or (z) relates to the treatment or classification of any item in such financial statement and which, as a condition to its removal, would require an adjustment to such item the effect of which could be reasonably expected to result in a Default or Event Default) to the effect that such financial statements present fairly, in all material respects, the financial position and results of operations of Globant S.A. (Luxembourg) and its Subsidiaries on a Consolidated basis in accordance with IFRS consistently applied;

(ii) Borrower's balance sheet and related statements of operations (which shall include, for the avoidance of doubt, an accounts receivable report), as of the end of and for such year on a Consolidated basis, setting forth in each case in comparative form the figures for the previous fiscal year, all certified by a Financial Officer of the Borrower as presenting fairly, in all material respects, the financial position and results of operations of Borrower in accordance with IFRS consistently applied;

(b) as soon as practicable, but in any event within 60 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower's and Globant S.A. (Luxembourg)'s balance sheet and related statements of operations (which shall include, for the avoidance of doubt, an accounts receivable report), shareholders' equity and cash flows as of the end of and for such fiscal quarter and the then-elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, each certified by a Financial Officer of the Borrower and Globant S.A. (Luxembourg), respectively, as presenting fairly, in all material respects, the financial position and results of operations of the Borrower and Globant S.A. (Luxembourg)'s consolidated Subsidiaries on a Consolidated basis in accordance with IFRS consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a duly completed and executed Compliance Certificate of a Financial Officer of the Borrower and Globant S.A. (Luxembourg), as applicable, (i) certifying as to whether a Default or Event of Default has occurred or is continuing and, if a Default or Event of Default has occurred and is continuing, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Sections 6.1, and (iii) stating whether any change in IFRS or in the application thereof has occurred since the date of the audited financial statements referred to in Section 3.4 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) as soon as available, but in any event within 90 days after the end of each fiscal year of Globant S.A. (Luxembourg), forecasts prepared by management of Globant S.A. (Luxembourg) on a Consolidated basis, in form satisfactory to the Administrative Agent and the Required Lenders, of balance sheets and statements of income or operations and cash flows of Globant S.A. (Luxembourg) and its Subsidiaries on a quarterly basis for the immediately following fiscal year and any projected changes in financial position of Globant S.A. (Luxembourg) and its Subsidiaries and a description of the underlying assumptions applicable thereto, and as soon as available, significant revisions, if any, of such forecast with respect to such fiscal year;

(e) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of any Loan Party or any Subsidiary of the Borrower (including, without limitation, information and certifications regarding whether the Guarantors constitute "eligible contract participants" as defined in the Commodity Exchange Act and the regulations thereunder), or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may reasonably request. The Administrative Agent and each Lender agrees to keep all information obtained by them pursuant to this clause (e) confidential in accordance with Section 9.12. Notwithstanding the foregoing, no Loan Party or Subsidiary thereof shall be required to disclose any information to the extent that (i) such Loan Party or Subsidiary is prohibited from furnishing such other information (x) by Applicable Law or (y) a binding confidentiality obligation owed by such Loan Party or such Subsidiary to any third party (provided that such confidentiality obligations were not entered into in contemplation of the requirements of this Section 5.1(e)), it being understood and agreed that this Section 5.1(e) shall not be applied to augment the periodic reporting obligation of any Loan Party under this

Agreement, (ii) such information constitutes non-financial trade secrets or non-financial proprietary information or (iii) such information is subject to attorney client privilege or constitutes attorney work product; provided that, in each case, the Borrower shall provide notice to the Administrative Agent that such information is being withheld and (other than with respect to clause (iii) above) the Borrower shall use its commercially reasonable efforts to obtain the relevant consents and to communicate, to the extent both feasible and permitted under applicable law or confidentiality obligation, the applicable information.

Section 5.2 Notices of Material Events. The Borrower shall furnish to the Administrative Agent for distribution to each Lender written notice of the following:

(a) promptly, and in any event within three (3) days after any Responsible Officer of the Borrower or any other Loan Party obtains knowledge thereof, the occurrence of any Default or Event of Default;

(b) promptly, and in any event within three (3) days after any Responsible Officer of the Borrower or any other Loan Party obtains knowledge thereof, the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting any Loan Party or any Subsidiary of the Borrower that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect;

(c) promptly upon a Responsible Officer of the Borrower or any Loan Party obtaining knowledge thereof, the occurrence of any ERISA Event (or the maintenance, commencement or, to the knowledge of the Borrower, threat of any claim, action, suit, audit or investigation with respect to any Plan other than routine claims for benefits) that, alone or together with any other ERISA Events that have occurred (and any such claims, actions, suits, audits or investigations with respect to any Plan that are being maintained or have commenced or, to the knowledge of the Borrower, have been threatened), could reasonably be expected to result in liability of the Borrower and its Subsidiaries in an aggregate amount exceeding \$500,000;

(d) promptly upon any Responsible Officer of the Borrower or any other Loan Party obtaining knowledge thereof, any material change in accounting policies or financial reporting practices by any Loan Party or any Subsidiary of the Borrower;

(e) promptly upon any Responsible Officer of the Borrower or any Loan Party obtaining knowledge thereof, any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect, including, without limitation, (i) breach or non-performance of, or any default under, a Contractual Obligation of any Loan Party or any Subsidiary of the Borrower and (ii) the commencement of, or any material development in, any litigation or proceeding affecting any Loan Party or any Subsidiary of the Borrower, including pursuant to any applicable Environmental Laws; and

(f) promptly, and in any event, within three (3) days after any Responsible Officer of the Borrower or any other Loan Party obtains knowledge thereof, the occurrence of any of the actions or events set forth in clauses (h), (i) or (j) of Section 7.1 with respect any Subsidiary of a Loan Party.

Each notice delivered under this Section shall be accompanied by a statement of a Responsible Officer setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

Section 5.3 Existence; Conduct of Business. Each Loan Party shall, and shall cause each other Loan Party and each Material Subsidiary to, do or cause to be done all things necessary to (a) preserve, renew and keep in full force and effect its legal existence and good standing (or its jurisdictional equivalent) under the laws of the jurisdiction of its organization, (b) maintain all requisite power and authority to carry on its business as now conducted, (c) except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, preserve, renew and keep in full force and effect its qualification to do business in, and its good standing (or its jurisdictional equivalent) in, every jurisdiction where such qualification is required, and (d) preserve, renew and keep in full force and effect all other rights, qualifications, licenses, permits, privileges and franchises necessary or desirable to the conduct of its business; provided that, the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution expressly permitted under Section 6.4.

Section 5.4 Payment of Obligations. Each Loan Party shall, and shall cause each Subsidiary of the Borrower to, pay as the same shall become due and payable all of its material obligations and liabilities, including Tax liabilities, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings diligently conducted, and (b) the Borrower or such Loan Party or such Subsidiary of the Borrower has set aside on its books adequate reserves with respect thereto in accordance with IFRS.

Section 5.5 Maintenance of Properties; Insurance. The Borrower shall, and shall cause each other Loan Party to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, (b) make all necessary repairs thereto and renewals and replacements thereof except, in the case of each of clauses (a) and (b), where the failure to do so could not reasonably be expected to have a Material Adverse Effect, and (c) maintain, with financially sound and reputable insurance companies that are not Affiliates of the Borrower, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations. The Borrower shall cause each issuer of an insurance policy to provide the Administrative Agent with an endorsement (i) showing the Administrative Agent as lenders loss payee with respect to each policy of property or casualty insurance and naming the Administrative Agent and each Lender as an additional insured with respect to each policy of liability insurance, (ii) providing that 30 days' notice shall be given to the Administrative Agent prior to any cancellation of, material reduction or change in coverage provided by or other material modification to such policy, and (iii) reasonably acceptable in all other respects to the Administrative Agent.

Section 5.6 Books and Records; Inspection Rights. (a) Each Loan Party shall, and shall cause each Subsidiary of the Borrower to, keep proper books of record and account in which complete and accurate entries, in all material respects, in conformity with IFRS consistently applied are made of all dealings and transactions in relation to its assets, business and activities.

(b) Each Loan Party shall, and shall cause each Subsidiary of the Borrower to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested; provided that, when a Default or Event of Default has occurred or is continuing, the Administrative Agent or any Lender (or any of their respective representatives) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and without advance notice. All such inspections or audits by the Administrative Agent shall be at the Borrower's expense; provided that (i) so long as no Default or Event of Default exists, the Borrower shall not be required to reimburse the Administrative Agent for inspections or audits more frequently than once in each fiscal year and (ii) any such reimbursement shall be limited to reasonable and documented expenses. The Borrower hereby authorizes and instructs its independent accountants to discuss the Borrower's affairs, finances and condition with the Administrative Agent and any Lender, at the Administrative Agent's or such Lender's request; provided, that, unless an Event of Default shall have occurred and is continuing, the Borrower shall have been afforded a reasonable opportunity to be present at any such discussions. The Administrative Agent and each Lender agrees to keep all information obtained by them pursuant to this Section confidential in accordance with Section 9.12. Notwithstanding the foregoing, no Loan Party or Subsidiary thereof shall be required to disclose any information to the extent that (i) such Loan Party or Subsidiary is prohibited from furnishing such other information (x) by Applicable Law or (y) a binding confidentiality obligation owed by such Loan Party or such Subsidiary to any third party (provided that such confidentiality obligations were not entered into in contemplation of the requirements of this Section 5.6), it being understood and agreed that this Section 5.6 shall not be applied to augment the periodic reporting obligation of any Loan Party under this Agreement, (ii) such information constitutes non-financial trade secrets or non-financial proprietary information or (iii) such information is subject to attorney client privilege or constitutes attorney work product; provided that, in each case, the Borrower shall provide notice to the Administrative Agent that such information is being withheld and (other than with respect to clause (iii) above) the Borrower shall use its commercially reasonable efforts to obtain the relevant consents and to communicate, to the extent both feasible and permitted under applicable law or confidentiality obligation, the applicable information.

Section 5.7 Compliance with Laws and Contractual Obligations. Each Loan Party shall, and shall cause each Subsidiary of the Borrower to, comply in all material respects with Applicable Law (including Environmental Laws, Sanctions and Anti-Money Laundering Laws), and perform in all material respects its Contractual Obligations.

Section 5.8 Use of Proceeds. The proceeds of the Loans shall be used only to pay Transaction Costs, for general corporate purposes (including, without limitation, payments in connection with Acquisitions permitted hereunder) and working capital of the Borrower. No part of the proceeds of any Loan shall be used, whether directly or indirectly, for any purpose that entails a violation of any Regulation of the FRB, including Regulations T, U and X.

Section 5.9 Further Assurances.

(a) Each Loan Party shall take such actions as are necessary or as the Administrative Agent or the Required Lenders may reasonably request from time to time, at the Borrower's expense, to carry out more effectively the purposes of the Loan Documents and to ensure that the Secured Obligations are secured by substantially all of the assets of the Borrower and each Material Subsidiary (as well as all Equity Interests of each Domestic Subsidiary and 65% of all Equity Interests of each Foreign Subsidiary that is owned by either the Borrower or a Domestic Subsidiary) and guaranteed by Globant S.A. (Luxembourg), Globant S.A. (Spain) and each Material Subsidiary (including, upon the acquisition or creation thereof, any Material Subsidiary acquired or created after the Effective Date), in each case as the Administrative Agent may determine in its reasonable discretion; provided that, no Loan Party shall be required to (i) take any collateral perfection action other than the filing of Uniform Commercial Code financing statements or (ii) bear the costs or expenses of any collateral perfection other than as described in clause (i), in each case, except following the request of the Administrative Agent following the occurrence and during the continuance of an Event of Default.

(b) Reserved.

(c) If any Material Subsidiary is formed or acquired after the Effective Date, the Borrower shall promptly, and in any event within 30 days (or such longer period as the Administrative Agent may agree) after such newly formed or acquired Material Subsidiary is formed or acquired, notify the Administrative Agent thereof, and cause such Material Subsidiary to become a Guarantor by delivering to the Administrative Agent any applicable Security Documents (in each case in the form contemplated hereby or otherwise acceptable to the Administrative Agent), duly executed and delivered by such Material Subsidiary, pursuant to which such Material Subsidiary agrees to be bound by the terms and provisions thereof, such Security Documents to be accompanied by appropriate corporate resolutions, other corporate documentation and legal opinions in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(d) The Borrower shall furnish to the Administrative Agent at least 30 days' prior written notice of any change (i) in any Loan Party's legal name (as set forth in its certificate of organization or like document), (ii) in the jurisdiction of incorporation or organization of any Loan Party or in the form of its organization, or (iii) in any Loan Party's organizational identification number (if applicable).

(e) Not later than five days after delivery of financial statements pursuant to Section 5.1(a), the Borrower shall deliver to the Administrative Agent a certificate duly executed by a Responsible Officer of the Borrower (i) setting forth any updates to Schedule 3.13 or (ii) confirming that there has been no change in such information since the Effective Date or the most recent certificate delivered pursuant to this Section (as applicable).

Section 5.10 Deposit Accounts. Unless the Administrative Agent otherwise consents in writing, the Borrower shall maintain its primary operating accounts with the Administrative Agent or Citibank, N.A.

Section 5.11 Accuracy of Information. The Borrower will ensure that any information, including financial statements or other documents, prepared by or on behalf of the Borrower and

furnished to the Administrative Agent or the Lenders in connection with any Loan Document or any amendment or modification thereof or waiver thereunder contains no material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading, and the furnishing of such information shall be deemed to be a representation and warranty by the Borrower on the date thereof as to the matters specified in this Section 5.11.

ARTICLE VI

Negative Covenants

So long as any Lender has any Commitment hereunder, any Loans, any Obligations or any other amount payable hereunder or under any other Loan Document has not been paid in full, the Borrower covenants and agrees, for itself and on behalf of its Subsidiaries, with the Administrative Agent and the Lenders that:

Section 6.1 Financial Covenants.

(a) Minimum Asset Coverage Ratio. The ratio of (i) the sum of Accounts and Unrestricted Cash to (ii) the Total Credit Exposure for any Computation Period shall be at least 1.10 to 1.00 for such period.

(b) Maximum Leverage Ratio. The Maximum Leverage Ratio as of the last day of any Computation Period shall not exceed 2.00 to 1.00 for such period.

(c) Capital Expenditures. The Borrower will not, and will not permit any other Loan Party or Subsidiary thereof to, make or commit to make any Capital Expenditure, except for such Capital Expenditures made in the ordinary course of business during any fiscal year of the Loan Parties in an aggregate amount not to exceed 5% of the Consolidated Net Revenue for such period.

(d) Consolidated Net Revenue. The percentage of the Consolidated Net Revenue attributed to the Borrower and its Subsidiaries shall not be less than 60% of the Consolidated Net Revenue.

Section 6.2 Indebtedness. The Borrower shall not, and shall not cause or permit any Subsidiary of the Borrower to, create, incur, assume or permit to exist any Indebtedness, except:

(a) Indebtedness created under the Loan Documents;

(b) Indebtedness existing on the date hereof and set forth in Schedule 6.2, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof, except reasonable fees and expenses incurred in connection with such extension, renewal or replacement, or change any direct or contingent obligor with respect thereto;

(c) Indebtedness of the Borrower to any Subsidiary and of any Subsidiary to the Borrower or any other Subsidiary;

(d) Guarantees by the Borrower of Indebtedness otherwise permitted hereunder of any Subsidiary and by any Subsidiary of Indebtedness otherwise permitted hereunder of the Borrower or any other Subsidiary;

(e) Indebtedness of the Borrower or any Subsidiary of the Borrower incurred to finance the acquisition, construction, repair, development or improvement of any fixed or capital assets, including Capital Lease Obligations and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof except reasonable fees and expenses incurred in connection with such extension, renewal or replacement; provided that, (i) such Indebtedness is incurred prior to or within 90 days after such acquisition or the completion of such construction, repair, development or improvement, and (ii) the aggregate principal amount of Indebtedness permitted by this clause (e) shall not exceed \$750,000 at any time outstanding;

(f) Indebtedness of any Person that becomes a Subsidiary of the Borrower after the date hereof; provided that, (i) such Indebtedness exists at the time such Person becomes a Subsidiary of the Borrower and is not created in contemplation of or in connection with such Person becoming a Subsidiary of the Borrower, and (ii) the aggregate principal amount of Indebtedness permitted by this clause (f) shall not exceed \$750,000 at any time outstanding;

(g) Reserved.

(h) obligations (contingent or otherwise) of the Borrower or any Subsidiary existing or arising under any Hedging Agreement permitted under Section 6.7;

(i) Reserved.

(j) contingent liabilities arising with respect to customary indemnification obligations in favor of sellers, unsecured earn-outs or deferred purchase price obligations, or other similar contingent payment obligations in connection with Acquisitions permitted under Section 6.4 and purchasers in connection with Dispositions permitted under Section 6.5; and

(k) other unsecured Indebtedness in an aggregate principal amount not exceeding \$750,000 at any time outstanding.

Section 6.3 Liens. The Borrower shall not, and shall not cause or permit any of its Subsidiaries to create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Liens pursuant to any Loan Document;

(b) Permitted Encumbrances;

(c) any Lien on any property or asset of the Borrower or any Subsidiary existing on the date hereof and set forth in Schedule 6.3; provided that, (i) such Lien shall not apply to any other property or asset of the Borrower or any Subsidiary, and (ii) such Lien shall

secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof except for reasonable fees and expenses incurred in connection with such extension, renewal or replacement;

(d) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary; provided that, (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Borrower or any Subsidiary, and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof except for reasonable fees and expenses incurred in connection with such extension, renewal or replacement;

(e) Liens on fixed or capital assets acquired, constructed or improved by the Borrower or any Subsidiary; provided that, (i) such security interests secure Indebtedness permitted by clause (e) of Section 6.2, (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement, (iii) the Indebtedness secured thereby does not exceed the cost or fair market value, whichever is lower, of the fixed or capital assets being acquired, constructed or improved, and (iv) such security interests shall not apply to any other property or assets of the Borrower or any Subsidiary; and

(f) Liens and rights of setoff of banks and securities intermediaries in respect of deposit accounts and securities accounts maintained in the ordinary course of business.

Section 6.4 Fundamental Changes. No Loan Party shall, and no Loan Party shall cause or permit any Subsidiary of the Borrower to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of its assets, or all or substantially all of the Equity Interests of any Subsidiary (in each case, whether now owned or hereafter acquired), or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing (i) any Person may merge with and into the Borrower in a transaction in which the Borrower is the surviving corporation, (ii) any Person (other than the Borrower, Globant S.A. (Luxembourg) or Globant S.A. (Spain)) may merge into any Subsidiary in a transaction in which the surviving entity is a Subsidiary, (iii) any Subsidiary may sell, transfer, lease or otherwise dispose of its assets to the Borrower or to a Wholly Owned Subsidiary, (iv) any Subsidiary may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders (v) any merger or consolidation to effect an Investment permitted under Section 6.6 or a Disposition permitted under Section 6.5, and (vi) any Acquisition by a Loan Party or any Wholly Owned Subsidiary where:

- (A) immediately before and after giving effect to such Acquisition, no Default shall exist;
- (B) immediately after giving effect to such Acquisition, the Loan Parties shall be in pro forma compliance with all the financial ratios and restrictions set forth in Section 6.1;
- (C) in the case of the Acquisition of any Person, the board of directors or other applicable managing entity of such Person shall have approved such Acquisition;
- (D) if requested by the Administrative Agent, reasonably prior to such Acquisition, the Administrative Agent shall have received complete executed or conformed copies of each material document, instrument and agreement to be executed in connection with such Acquisition together with all lien search reports and lien release letters and other documents as the Administrative Agent may require to evidence the termination of Liens on the assets or business to be acquired; and
- (E) the provisions of Section 5.9 shall be satisfied;

provided that, any such merger involving a Person that is not a Wholly Owned Subsidiary immediately prior to such merger shall not be permitted unless also permitted by Section 6.6.

Section 6.5 Disposition of Property. The Borrower shall not, and shall not cause or permit any of its Subsidiaries, Dispose of any of its property, whether now owned or hereafter acquired, or, in the case of any Subsidiary, issue or sell any shares of such Subsidiary's Equity Interests to any Person, except:

- (a) the Disposition of obsolete or worn out property in the ordinary course of business;
- (b) the sale of inventory in the ordinary course of business;
- (c) the sale or issuance of any Subsidiary's Equity Interests to the Borrower or any other Loan Party or, in the case of any Subsidiary that is not a Loan Party, to any other Subsidiary that is not a Loan Party;
- (d) any Disposition of assets (i) from one Foreign Subsidiary to another Foreign Subsidiary, (ii) from one Domestic Subsidiary to another Domestic Subsidiary, (iii) from one Loan Party to another Loan Party or (iv) from a Subsidiary to a Loan Party;
- (e) sales of Cash Equivalent Investments in the ordinary course of business and for fair market value; and
- (f) the Disposition of other property not described in clauses (a) through (e) above for not less than fair market value as long as (i) at least 75% of the consideration therefor

consists of cash and Cash Equivalent Investments, and (ii) the aggregate fair market value of such property so disposed of does not exceed \$750,000.

Section 6.6 Investments, Loans, Advances, Guarantees and Acquisitions. The Borrower shall not, and shall not cause or permit any of its Subsidiaries to, purchase, hold or acquire (including pursuant to any merger with any Person that was not a Wholly Owned Subsidiary prior to such merger) any Investment, except:

- (a) Cash Equivalent Investments;
- (b) Investments by the Borrower in the Equity Interests of its Subsidiaries;
- (c) Investments by any Loan Party in any other Loan Party;
- (d) loans or advances made by the Borrower to any Subsidiary and made by any Subsidiary to the Borrower or any other Subsidiary;
- (e) Guarantees constituting Indebtedness permitted by Section 6.2;

(f) (i) advances to officers, directors and employees of the Borrower and Subsidiaries in an aggregate amount not to exceed \$50,000 at any time outstanding, for travel, entertainment, relocation and analogous ordinary business purposes and (ii) Investments consisting of loans to employees to finance the purchase of Equity Interests (other than Disqualified Equity Interests) of the Borrower pursuant to employee stock purchase plans or agreements approved by the Borrower's board of directors in an aggregate principal amount not to exceed \$50,000 outstanding at any time;

- (g) bank deposits in the ordinary course of business;

(h) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(i) non-cash consideration received, to the extent permitted by the Loan Documents, in connection with the Disposition of property permitted by this Agreement;

- (j) Investments to consummate Acquisitions permitted by Section 6.4;
- (k) Hedging Agreements permitted by Section 6.7, to the extent any such Hedging Agreement constitutes an Investment;
- (l) Investments listed on Schedule 6.6 as of the Effective Date; and

(m) Investments existing when a Person becomes a Subsidiary or at the time such Person merges or consolidates with the Borrower or any Subsidiary as permitted under Section 6.4, so long as such Investments were not made in contemplation of such Person becoming a Subsidiary or of such consolidation, merger or Acquisition;

provided that, any Investment that when made complies with the requirements of the definition of the term “Cash Equivalent Investment” may continue to be held notwithstanding that such Investment if made thereafter would not comply with such requirements.

Section 6.7 Hedging Agreements. The Borrower shall not, and shall not cause or permit any of its Subsidiaries to, enter into any Hedging Agreement, except (a) Hedging Agreements entered into to hedge or mitigate risks to which the Borrower or any such Subsidiary has actual exposure (other than those in respect of Equity Interests of the Borrower or any Subsidiary), and (b) Hedging Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate, from floating to fixed rates, or otherwise) with respect to any interest-bearing liability or investment of the Borrower or any such Subsidiary.

Section 6.8 Restricted Payments. The Loan Parties shall not, and shall not cause or permit any of their Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payments in an aggregate amount that exceeds \$10,000,000 during any fiscal year.

Section 6.9 Transactions with Affiliates.

(a) No Loan Party shall, and no Loan Party shall cause or permit any Subsidiary of the Borrower to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (i) in the ordinary course of business on terms and conditions not less favorable to such Loan Party or Subsidiary than could be obtained on an arm’s-length basis from unrelated third parties, (ii) transactions between or among the Loan Parties not involving any other Affiliates, (iii) transactions expressly permitted pursuant to this Agreement, (iv) employment, consulting, severance and other service or benefit related arrangements between the Loan Parties and their respective officers and employees in the ordinary course of business, (v) the payment of ordinary course customary fees, expenses and indemnities to directors, officers, employees and consultants of the Loan Parties, and (vi) any transaction with an Affiliate that, as such, has been expressly approved by either a majority of such Loan Party’s independent directors or a committee of such Loan Party’s directors consisting solely of independent directors, in each case, in accordance with such independent directors’ fiduciary duties in their capacity as such and upon advice from independent counsel.

(b) The Borrower shall not maintain intercompany receivables owed to any of its Affiliates organized under the laws of the Argentine Republic, except to the extent (i) such receivables qualify under Section 6.9(a)(i) above and (ii) the aggregate amount of such payables do not exceed an amount equal to five times the average monthly amount of such Affiliates’ billings for the immediately preceding 12 month period.

Section 6.10 Changes in Nature of Business. No Loan Party or any Subsidiary of a Loan Party shall engage in any business other than businesses of the type conducted by such entity on the date of execution of this Agreement and businesses reasonably incidental or related thereto and any reasonable extension thereof.

Section 6.11 Negative Pledges; Restrictive Agreements. The Borrower shall not, and shall not cause or permit any of its Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Borrower or any such Subsidiary to create, incur or permit to exist any Lien upon any of its property, or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to any shares of its Equity Interests or to make or repay loans or advances to the Borrower or any such Subsidiary or to Guarantee Indebtedness of the Borrower or any such Subsidiary or transfer any of its properties to any Loan Party; provided that, (i) the foregoing shall not apply to restrictions and conditions imposed by Applicable Law or by the Loan Documents, (ii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of any asset or a Subsidiary of the Borrower pending such sale; provided that, such restrictions and conditions apply only to the asset or the Subsidiary of the Borrower that is to be sold and such sale is permitted hereunder, and (iii) clause (a) of the foregoing shall not apply to customary provisions in leases and other contracts restricting the assignment thereof.

Section 6.12 Restriction of Amendments to Certain Documents. No Loan Party shall amend such Person's articles or certificates of organization or formation, operating agreement or other agreement, instrument or document affecting such Person's organization, management or governance, in each case, in any respect which is materially adverse to the Lenders.

Section 6.13 Changes in Fiscal Periods. No Loan Party shall change its fiscal year to end on a day other than December 31 or change its method of determining fiscal quarters.

Section 6.14 Reserved.

Section 6.15 Sanctions; Anti-Corruption. (a) The Borrower will not, directly or indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any Loan Party or any Subsidiary of a Loan Party, joint venture partner or other Person, (i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions, or (ii) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the Loans, whether as underwriter, advisor, lender, investor or otherwise)

(b) The Borrower will not, directly or indirectly use the proceeds of the Loans (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of the UK Bribery Act, the FCPA or any other applicable anti-corruption law or otherwise, or (ii) for any other payment that could constitute a violation of any applicable anti-bribery law or anti-corruption law (including, without limitation the UK Bribery Act or the FCPA).

ARTICLE VII

Events of Default

Section 7.1 Events of Default. If any of the following events ("Events of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof, by reason of acceleration or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Section) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three (3) Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Borrower or any other Loan Party in or in connection with this Agreement, any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement, any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, shall prove to have been incorrect or misleading in any material respect (except for representations and warranties that are qualified by materiality, which shall not be incorrect or misleading in any respect) when made or deemed made;

(d) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in Section 5.1(a), (b), and (c), Section 5.2, Section 5.3 (with respect to the existence of any Loan Party), Section 5.6(b), Section 5.8 or Section 5.9 or in Article VI;

(e) the Borrower or any other Loan Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Loan Document (other than those specified in clause(a), (b) or (d) of this Section), and such failure shall continue unremedied for a period of 30 days after the earlier of (x) notice thereof from the Administrative Agent to the Borrower (which notice will be given at the request of any Lender),and (y) the date a Responsible Officer of the Borrower or such other Loan Party becomes aware of such failure;

(f) any Loan Party shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable, which failure shall continue beyond any applicable cure period specified in the agreement or instrument governing such Material Indebtedness;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity or (in the case of any Material Indebtedness constituting a Guarantee) to become payable; provided that, this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness if such voluntary sale or transfer is permitted under this Agreement;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of any Loan Party or

any Subsidiary of the Borrower or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Loan Party or any Subsidiary of the Borrower or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) any Loan Party or any Subsidiary of the Borrower shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Section, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Loan Party or any Subsidiary of the Borrower or for a substantial part of any of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take any action for the purpose of effecting any of the foregoing;

(j) any Loan Party or any Subsidiary of the Borrower shall admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of \$1,000,000 shall be rendered against a Loan Party any Subsidiary or any combination thereof (not paid or covered by insurance) and the same shall remain undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of a Loan Party or any Subsidiary to enforce any such judgment;

(l) an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(m) any provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, shall cease to be in full force and effect; or any Loan Party or any other Person acting on any Loan Party's behalf shall contest in any manner the validity or enforceability of any material provision of any Loan Document in writing; or any Loan Party shall deny that it has any or further liability or obligation under any Loan Document, or shall purport to revoke, terminate or rescind any provision of any Loan Document;

(n) a Change in Control shall occur; or

(o) any of the actions or events set forth in clauses (h), (i) or (j) of this Section 7.1 shall occur with respect to one or more Subsidiaries of any Loan Party, and such action or event could reasonably be expected to (after giving effect to any applicable threshold or grace period), individually or in the aggregate, result in a Material Adverse Effect;

then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i) of this Section), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments (if not theretofore terminated) shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other Obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in clause (h) or (i) of this Section, the Commitments (if not theretofore terminated) shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other Obligations of the Borrower and the other Loan Parties accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

Section 7.2 Application of Funds. After the exercise of remedies provided for in Section 7.1 (or after the Loans have automatically become immediately due and payable), any amounts received on account of the Secured Obligations shall be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Secured Obligations constituting fees, indemnities, expenses and other amounts (other than principal and interest, but including legal expenses payable under Section 9.3 and amounts payable under Article II) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Secured Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders (including legal expenses payable under Section 9.3 and amounts payable under Article II), ratably among them in proportion to the amounts described in this clause Second payable to them;

Third, to payment of that portion of the Secured Obligations constituting accrued and unpaid interest on the Loans, ratably among the holders of such Secured Obligations in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Secured Obligations constituting unpaid principal of the Loans, the termination value under Lender Provided Hedging Agreements and Lender Provided Financial Service Products, ratably among the holders of such Secured Obligations in proportion to the respective amounts described in this clause Fourth held by them; provided that, Excluded Swap Obligations with respect to any Guarantor shall not be paid with amounts received from such Guarantor or its assets, but appropriate adjustments shall be

made with respect to payments from other Loan Parties to preserve the allocation to Secured Obligations otherwise set forth above in this Section;

Fifth, to the payment of all other Secured Obligations of the Loan Parties that are due and payable to the Administrative Agent and the other Secured Parties on such date, ratably based upon the respective aggregate amounts of all such Secured Obligations owing to the Administrative Agent and the other Secured Parties on such date; and

Last, the balance, if any, after all of the Secured Obligations have been paid in full, to the Borrower or as otherwise required by Applicable Law.

Notwithstanding the foregoing, Excluded Swap Obligations with respect to any Guarantor shall not be paid with amounts received from such Guarantor or its assets, but appropriate adjustments shall be made with respect to payments from other Loan Parties to preserve the allocation to Obligations otherwise set forth above in this Section.

ARTICLE VIII

The Administrative Agent

Section 8.1 Appointment and Authority.

(a) Each of the Lenders hereby irrevocably appoints HSBC to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders, and neither the Borrower nor any other Loan Party shall have any rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligation arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) Each Lender hereby authorizes the Administrative Agent to (a) execute, deliver and perform as a collateral agent under this Agreement and each other Loan Document to which the Administrative Agent is or is intended to be a party, (b) exercise and enforce any and all rights, powers and remedies provided to the Administrative Agent or any Lender by this Agreement and each other Loan Document to which the Administrative Agent is or is intended to be a party, any applicable law, or any other document, instrument, or agreement, and (c) take any other action under this Agreement and each other Loan Document to which the Administrative Agent is or is intended to be a party which Administrative Agent in its sole discretion shall deem advisable and in the best interests of the Lenders. Notwithstanding the foregoing, the Administrative Agent shall not commence an enforcement action (as such term is defined in the Loan Documents) except at the direction of the Required Lenders; provided that, if

the Administrative Agent is prohibited by any court order or applicable law from commencing any enforcement action, the Administrative Agent shall not be obligated to commence such enforcement action until such authority is obtained. All decisions with respect to the type of enforcement action which is to be commenced shall be made by, and all actions with respect to prosecution and settlement of such enforcement action shall require the direction of the Required Lenders, and the Administrative Agent shall not be required to take any enforcement action in the absence of any such direction. The Administrative Agent will use its commercially reasonable efforts to pursue diligently the prosecution of any enforcement action, which the Administrative Agent is so authorized or directed to initiate pursuant to this Agreement. The Administrative Agent shall make available to the Lenders copies of all notices it receives in connection with the Collateral or any enforcement action promptly upon receipt. Subject to the terms of this Agreement, the Administrative Agent agrees to administer and enforce this Agreement and the other Security Documents to which it is a party and to foreclose upon, collect and dispose of the Collateral and to apply the proceeds therefrom, for the benefit of the Secured Parties, as provided in this Agreement, and otherwise to perform its duties and obligations as a "collateral agent" hereunder in accordance with the terms hereof.

Section 8.2 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders. The obligations of each Lender under the Loan Documents are several and not joint. Failure by any Lender to perform its obligations under the Loan Documents does not affect the obligations of any other Lender under the Loan Documents.

Section 8.3 Exculpatory Provisions.

(a) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary power, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that, the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its

counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may affect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law, and the Administrative Agent shall in all cases be fully justified in failing or refusing to act hereunder or under any other Loan Document unless it first receives further assurances of its indemnification from the Lenders that it may require, including prepayment of any related expenses and any other protection it requires against any and all costs, expenses and liabilities it may incur in taking or continuing to take any such action; in no event shall the Administrative Agent be required to expend or risk any of its own funds or otherwise incur any liability, financial or otherwise, in the performance of its duties hereunder or in the exercise of any of its rights or powers;

(iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity; and

(iv) shall not incur any liability for not performing any act of fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Administrative Agent (including but not limited to any act or provision of any present or future law or regulation or Governmental Authority, any act of God or war, civil unrest, local or national disturbance or disaster, any act of terrorism or the unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility).

(b) Neither the Administrative Agent nor any of its directors, officers, employees or agents shall not be liable for any action taken or not taken by it (i) with the consent or at the request or direction of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 9.2 and Section 7.1), which consent or direction to the Administrative Agent may solicit at any time, or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent in writing by the Borrower, a Lender referring to this Agreement, describing such Default and stating that such notice is a "Notice of Default" or "Notice of Event of Default". The Administrative Agent shall take such action with respect to such Default as may be directed by the Required Lenders in accordance with the terms of this Agreement; provided that unless and until the Administrative Agent has received any such direction from the Required Lenders, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to any such Default as it shall deem advisable or in the best interest of the Lenders.

(c) The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any covenant, agreement or other term or condition set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

(d) Nothing in this Agreement shall require the Administrative Agent or any of its Related Parties to carry out any “know your customer” or other checks in relation to any Person on behalf of any Lender and each Lender confirms to the Administrative Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Administrative Agent or any of its Related Parties.

(e) The Administrative Agent shall be entitled to take any action or refuse to take any action which the Administrative Agent regards as necessary for the Administrative Agent to comply with any Applicable Law, regulation or court order or the rules, operating procedures or market practice of any relevant stock exchange or other market or clearing system.

Section 8.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, at the expense of the Borrower and/or the Lenders, as applicable, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 8.5 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the facilities as well as activities as Administrative Agent. The Administrative

Agent shall not be responsible for the negligence or misconduct of any sub-agent except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agent.

Section 8.6 Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above; provided that, in no event shall any such successor Administrative Agent be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by Applicable Law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any Collateral held by the Administrative Agent on behalf of the Lenders under any Loan Document, the retiring or removed Administrative Agent shall continue to hold such Collateral until such time as a successor Administrative Agent is appointed), and (ii) except for any indemnity payments owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent (other than any rights to indemnity payments owed to the retiring or removed Administrative Agent), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal

hereunder and under the other Loan Documents, the provisions of this Article and Section 9.3 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any action taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

Section 8.7 Non-Reliance on Administrative Agent and Other Lenders. Each Lender acknowledges and agrees that the extensions of credit made hereunder are commercial loans and not investments in a business enterprise or securities. Each Lender represents that it is engaged in making, acquiring or holding commercial loans in the ordinary course of its business and that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning the Borrower and its Affiliates) as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Section 8.8 No Other Duties, etc.

Anything herein to the contrary notwithstanding, none of the Bookrunners or Arrangers listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any other Loan Document, except in its capacity, as applicable, as the Administrative Agent or a Lender hereunder.

Section 8.9 Enforcement. Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against any Loan Party shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.1 for the benefit of all the Lenders; provided that, the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) any Lender from enforcing its right to payment when due of the principal of and interest on its Loans, fees and other amounts owing to such Lender under the Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 9.8 (subject to the terms of Section 2.18), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and provided further that, if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to this Article VIII, and (ii) in addition to the matters set forth in clauses (b), (c), (d) and (e) of the preceding proviso and subject to Section 2.18, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

Section 8.10 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding under any other Applicable Law relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Sections 2.11 and 9.3) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.11 and 9.3.

Section 8.11 Collateral and Guaranty Matters. (a) The Lenders irrevocably authorize the Administrative Agent, at its option and in its sole and absolute discretion,

(i) to release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (v) upon termination of all Commitments and payment in full of all Obligations (other than contingent indemnification obligations), (w) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted under the Loan Documents, (x) subject to Section 9.2, if approved, authorized or ratified in writing by the Required Lenders, (y) relating to Collateral consisting of a debt instrument if the Indebtedness evidenced thereby has been paid in full, or (z) where such release (A) corrects manifest error in the Administrative Agent's sole and absolute discretion or (B) is expressly permitted under the Loan Documents;

(ii) to subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 6.3(e) or to any Permitted Encumbrance; and

(iii) to release any Guarantor from its obligations under the Loan Documents if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Loan Documents pursuant to this Section 8.11.

(b) The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of any Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor, maintain or insure any portion of the Collateral.

(c) The Administrative Agent may refrain from enforcing the Collateral unless instructed by the Required Lenders. The Administrative Agent may, subject to any contrary instructions from the Required Lenders, cease enforcement at any time.

Section 8.12 Lender Provided Hedging Agreements and Lender Provided Financial Service Products. No holder of Secured Obligations in respect of Lender Provided Hedging Agreements or Lender Provided Financial Service Products shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article VIII to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, such Secured Obligations unless the Administrative Agent has received written notice of such Secured Obligations, together with such supporting documentation as the Administrative Agent may reasonably request, from the applicable Lender or Affiliate of a Lender.

Section 8.13 Merger. Any entity into which the Administrative Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidations which the Administrative Agent in its individual capacity may be party, or any corporation to which substantially all of the corporate trust or agency business of the Administrative Agent in its individual capacity may be transferred, shall be the Administrative Agent under this Agreement without further action.

ARTICLE IX

Miscellaneous

Section 9.1 Notices; Effectiveness; Electronic Communication.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in

clause (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail, sent by teletype or electronic communication as follows:

(i) if to the Borrower or any other Loan Party, to it at 875 Howard Street, Suite 320, San Francisco, CA 94103, Attention: General Counsel /Chief Financial Officer / Treasurer (Telephone No. (877) 215-5230 ext. 18083/19763; E-mail: alejandro.scannapieco@globant.com with copies to matias.corvalan@globant.com and gcoffice@globant.com), with a copy to Sistemas Globales S.A., Ing. Butty 240, Laminar Tower, 9th Floor, Ciudad Autónoma de Buenos Aires, 1001, Argentina, Attention: General Counsel /Chief Financial Officer / Treasurer;

(ii) if to the Administrative Agent, to HSBC Bank USA, N.A. at HSBC Bank USA, National Association, Corporate Trust Loan Agency, 425 5th Avenue (8E6), New York, NY 10018 (Teletype No. (917) 229-6659; Telephone No. (212) 535-7253; E-mail: ctlaney.loanagency@us.hsbc.com); and

(iii) if to a Lender, to it at its address (or teletype number or e-mail address) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by teletype shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications, to the extent provided in clause (b) below, shall be effective as provided in said clause (b).

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided that, the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may, in its sole and absolute discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that, approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement) and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, e-mail or other communication is not sent during the normal business hours of the recipient, such notice

or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) Change of Address, etc. Any party hereto may change its address, telecopy number or e-mail address for notices and other communications hereunder by notice to the other parties hereto.

(d) Platform.

(i) The Borrower (on behalf of itself and each other Loan Party) agrees that the Administrative Agent may, but shall not be obligated to, make the Communications (as defined below) (including of materials and/or information provided by or on behalf of the Borrower hereunder (collectively, the "Borrower Materials")) available to the other Lenders by posting the Communications on the Platform.

(ii) The Platform is provided "as is" and "as available". The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower or the other Loan Parties, any Lender or any other Person or entity for damages of any kind, including direct or indirect, special, incidental, consequential, punitive or exemplary damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's, any other Loan Party's or the Administrative Agent's transmission of communications through the Platform. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of the Borrower or any other Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed to the Administrative Agent, any Lender by means of electronic communications pursuant to this Section, including through the Platform.

Section 9.2 Waivers; Amendments.

(a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by clause (b) of this Section, and then such waiver or consent shall be effective only in the specific

instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time.

(b) No Loan Document nor any provision thereof may be waived, amended or modified except, in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or, in the case of any other Loan Document, by an agreement in writing entered into with the consent of the Required Lenders; provided that, no such agreement shall:

(i) increase the Commitment of any Lender without the written consent of such Lender (it being understood and agreed that a waiver of any condition precedent set forth in Section 4.1 or the waiver of any Default, Event of Default, mandatory prepayment or mandatory reduction of the Commitments shall not constitute an increase of any Commitment of any Lender);

(ii) reduce the principal amount of any Loan or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby (it being understood and agreed that a waiver of an increase to the Applicable Rate pursuant to Section 2.12(c) shall require the consent of only the Required Lenders);

(iii) postpone the scheduled date of payment (it being understood and agreed that a waiver of a Default shall require the consent of only the Required Lenders) of the principal amount of any Loan, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly affected thereby;

(iv) change Sections 2.18(b), Section 2.18(c), and Section 7.2 in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender;

(v) release any Guarantor from a Guaranty (other than in connection with the transactions permitted under Section 6.4 or the sale of such Guarantor in a transaction permitted under Section 6.5) or release all or substantially all of the Collateral in any transaction or series of related transactions (other than as authorized in Section 8.11 or as otherwise specifically permitted or contemplated in this Agreement or the Security Agreement), in each case without the written consent of each Lender;

(vi) change any provision of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; or

(vii) amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent.

Notwithstanding anything herein to the contrary, the Administrative Agent may, with the consent of the Borrower only, amend, modify or supplement this Agreement or any other Loan Document to cure any ambiguity, omission, defect or inconsistency.

Section 9.3 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, which shall be limited to one primary counsel and, to the extent appropriate, one local counsel in each relevant jurisdiction) in connection with (A) the syndication of the facilities, the preparation, negotiation, execution, delivery, recordation and filing (including all recording and filing fees, and all mortgage, intangible and other taxes) (it being understood and agreed that the Borrower shall not be responsible for the payment of any such fees, charges or disbursements incurred by any Lender or counsel for such Lender other than HSBC in its role as Administrative Agent) and (B) administration of this Agreement and the other Loan Documents, or any amendment, modification or waiver of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, any Lender (including the fees, charges and disbursements of any counsel for the Administrative Agent or any Lender, which shall be limited to one primary counsel for the Administrative Agent and the Lenders (taken as a whole), one local counsel (in each reasonably necessary jurisdiction) and one special counsel (for each reasonably necessary specialty) and, in the case of a conflict of interest of any of the foregoing counsel, one additional local and/or special counsel (as applicable)), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made hereunder, including all such reasonable and documented out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and each Related Party of each of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Borrower or any other Loan Party) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any Subsidiary (except to the extent such presence or release is (A) attributable solely to the

gross negligence or willful misconduct of any Lender (as determined by a court of competent jurisdiction by a final, nonappealable judgment) and (B) occurred following such Lender's taking possession of the property due to (x) the foreclosure on such property by such Lender or (y) such Lender having become successor-in-interest to any Loan Party with respect to such property), or any Environmental Liability related in any way to the Borrower or any Subsidiary, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that, such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to (A) have resulted (i) from the gross negligence or willful misconduct of such Indemnitee or (ii) a claim brought by the Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim, or (B) have arisen out of any dispute that does not involve an act or omission of any Loan Party or any Subsidiary and that is brought by an Indemnitee against another Indemnitee; provided, further, that the Borrower shall only be responsible for the fees, charges and disbursements of one primary counsel for the Administrative Agent and the Lenders (taken as a whole), one local counsel (in each reasonably necessary jurisdiction) and one special counsel (for each reasonably necessary specialty) and, in the case of a conflict of interest of any of the foregoing counsel, one additional local and/or special counsel (as applicable). This Section 9.3(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, liabilities and related expenses arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under clause (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof) or any Related Party of the Administrative Agent, each Lender severally agrees (i) to pay with respect to clause (a) of this Section, and (ii) indemnify with respect to clause (b) of this Section, Administrative Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) in its capacity as such, or against any Related Party acting for the Administrative Agent (or any such sub-agent) in connection with such capacity. The obligations of the Lenders under this clause (c) are subject to the provisions of Section 2.18(e).

(d) Waiver of Consequential Damages, etc. To the fullest extent permitted by Applicable Law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, and in no event shall any Indemnitee be liable, on any theory of liability, for loss of profits, goodwill, reputation, business opportunity or for indirect, special, punitive, consequential or exemplary damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby or thereby, any Loan, or

the use of the proceeds thereof, whether or not the Indemnitee has been advised of the possibility of damages. No Indemnitee referred to in clause (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable not later than 10 days after demand therefor.

(f) Survival. Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the other Obligations.

Section 9.4 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of clause (b) of this Section, (ii) by way of participation in accordance with the provisions of clause (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of clause (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in clause (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it); provided that, any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in clause (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the

date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if a "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$5,000,000, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by clause (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that, the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; provided that, the Administrative Agent may, in its sole and absolute discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made to (A) the Borrower or any of the Borrower's Affiliates or Subsidiaries, or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural Person (or a holding company, investment vehicle or trust for,

or owned and operated for the primary benefit of, a natural Person or relative(s) thereof).

(vii) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this clause, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to clause (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.14 and 9.3 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided that, except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this clause shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with clause (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at its offices at 452 Fifth Avenue, New York, NY 10018 a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is

recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice. Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in clause (b) of this Section and any written consent to such assignment required by clause (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that, if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to this Agreement, the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this clause (c).

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person, or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that, (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Administrative Agent and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 2.17(e) with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that, such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.2(b) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.14, 2.16 and 2.17 (subject to the requirements and limitations therein, including the requirements under Section 2.17(g) and Section 2.17(h) (it being understood that the documentation required under Section 2.17(g) and Section 2.17(h) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section; provided that, such Participant (A) agrees to be subject to the provisions of Section 2.19 as if it were an assignee under clause (b) of this Section, and (B) shall not be entitled to receive any greater payment under Section 2.14 or Section 2.17, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request

and expense, to use reasonable efforts to cooperate with the Borrower to effect the provisions of Section 2.19(b) with respect to any Participant. To the extent permitted by Applicable Law, each Participant also shall be entitled to the benefits of Section 9.8 as though it were a Lender; provided that, such Participant agrees to be subject to Section 2.18(c) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that, no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that, no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 9.5 Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect so long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under any Loan Document is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Sections 2.14, 2.16, 2.17, 2.18 and 9.3, and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Obligations, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

Section 9.6 Counterparts; Integration; Effectiveness; Electronic Execution.

(a) Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, and any separate letter agreements

with respect to fees payable to the Administrative Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.1, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 9.7 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 9.8 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender or any such Affiliate, to or for the credit or the account of the Borrower or any other Loan Party against any and all of the obligations of the Borrower or such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or its respective Affiliates, irrespective of whether or not such Lender or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such Loan Party may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided that, in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.21 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or its respective Affiliates may have. Each Lender agrees to notify the Borrower and the

Administrative Agent promptly after any such setoff and application; provided that, the failure to give such notice shall not affect the validity of such setoff and application.

Section 9.9 Governing Law; Jurisdiction; Etc.

(a) Governing Law. This Agreement and the other Loan Documents and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the law of the State of New York, without regard to conflicts of law principals except Title 14 of Article 5 of the New York General Obligations law.

(b) Jurisdiction. The Borrower irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender or any Related Party of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court for the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto may be heard and determined in such New York State court or, to the fullest extent permitted by Applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Applicable Law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrower, any other Loan Party or their properties in the courts of any jurisdiction.

(c) Waiver of Venue. The Borrower irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in clause (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 9.1. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

Section 9.10 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE

LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 9.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 9.12 Treatment of Certain Information; Confidentiality.

Each of the Administrative Agent and the Lenders and agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed: (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by Applicable Law or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedy hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative, credit insurance or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, (g) with the consent of the Borrower, or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Administrative Agent, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower or any Subsidiary. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry (including league table providers) and service providers to the Administrative Agent and the Lenders in connection with the administration of this Agreement, the other Loan Documents, and the Commitments.

For purposes of this Article, "Information" means all information received from the Borrower or any Subsidiary relating to the Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative

Agent, any Lender on a nonconfidential basis prior to disclosure by the Borrower or any Subsidiary; provided that, in the case of information received from the Borrower or any Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Section 9.13 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under Applicable Law (collectively the “Charges”), shall exceed the maximum lawful rate (the “Maximum Rate”) which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with Applicable Law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

Section 9.14 PATRIOT Act. Each Lender that is subject to the requirements of the PATRIOT Act hereby notifies the Borrower that pursuant to the requirements of the PATRIOT Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the PATRIOT Act.

Section 9.15 Acknowledgment and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and
- (b) the effects of any Bail-in Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred

on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

Section 9.16 Judgment Currency. This is an international loan transaction in which the specification of Dollars and the payment in New York is of the essence, and the obligations of the Borrower and each other Loan Party under this Agreement and each of the other Loan Documents to make payments in a specified currency (the "Contractual Currency") shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than the Contractual Currency, except to the extent such tender or recovery results in the effective receipt by the Recipient to which payment is owed, acting in good faith and using commercially reasonable procedures in converting the currency so tendered into the Contractual Currency, of the full amount of the Contractual Currency of the amounts payable to such Recipient under this Agreement. If, for the purpose of obtaining or enforcing judgment against any Loan Party in any court or in any jurisdiction, it becomes necessary to convert into or from any currency other than the Contractual Currency (such other currency being herein referred to as the "Judgment Currency") an amount due in the Contractual Currency, the conversion shall be made, at the rate of exchange at which, in accordance normal banking procedures, the Recipient could purchase such Contractual Currency at the principal office of the Recipient in New York, New York with the Judgment Currency on the Business Day next preceding the day on which such judgment becomes effective. The obligation of the Borrower and each other Loan Party in respect of any sum due from it to the Recipient hereunder or under any other Loan Document shall, notwithstanding the rate of exchange actually applied in rendering such judgment, be discharged only to the extent that, on the Business Day following receipt by the Recipient of any sum adjudged to be due hereunder in the Judgment Currency the Recipient may, in accordance with normal banking procedures, purchase and transfer the Contractual Currency to New York, New York with the amount of the Judgment Currency so adjudged to be due, and the Borrower and each other Loan Party hereby, as a separate obligation and notwithstanding any such judgment, agrees to indemnify the Recipient against, and to pay the Recipient, on demand, in the Contractual Currency, the amount (if any) by which the sum originally due to the Recipient in the Contractual Currency hereunder exceeds the amount of the Contractual Currency so purchased and transferred.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Credit Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

GLOBANT, LLC,
as Borrower

By /s/ Alejandro Scannapieco
Name: Alejandro Scannapieco
Title: Chief Financial Officer

[Signature Page – Credit Agreement]

HSBC BANK USA, NATIONAL ASSOCIATION,
as Administrative Agent

By /s/ Vanessa Printz
Name: Vanessa Printz
Title: Senior Vice President 19402
Commercial Banking
HSBCBank USA, N.A.

[Signature Page – Credit Agreement]

HSBC BANK USA, NATIONAL ASSOCIATION,
as Lender

By /s/ Vanessa Printz
Name: Vanessa Printz
Title: Senior Vice President 19402
Commercial Banking
HSBCBank USA, N.A.

[Signature Page – Credit Agreement]

CITIBANK, N.A.,
as Lender

By /s/ Jaewon Hwang
Name: Jaewon Hwang
Title: Director

[Signature Page – Credit Agreement]

Schedule 2.1

Commitments

<u>Lender</u>	<u>Commitment</u>	<u>Percentage</u>
HSBC Bank USA, N.A.	\$ 20,000,000	50%
Citibank, N.A.	\$ 20,000,000	50%
Total:	\$ 40,000,000	100%

Schedule 3.6

Disclosed Matters

1. Globant, LLC is currently under examination by the Internal Revenue Service ("IRS") regarding payroll and employment taxes primarily in connection with services performed by employees of certain of our subsidiaries in the United States from 2013 to 2015. Such examination is currently in progress and, at this stage, we cannot make any predictions about the final outcome of this matter. Management estimates that the amount of possible loss as of June 30, 2017 could range between \$300,000 and \$500,000.
-

Schedule 3.11

Insurance

[see attached]

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES

This endorsement forms a part of the Policy numbered below:

POLICY NUMBER: 57 UUN ZM9229 K2

CHANGE NUMBER: 004

Policy Change Effective Date: 07/17/17

Named Insured: GLOBAL LLC



Producer's Name: SWEET & BAKER INS BROKE INC

Pro Rata Factor: .797

Description of Change(s):

ANY CHANGES IN YOUR PREMIUM WILL BE REFLECTED IN YOUR NEXT BILLING STATEMENT. IF YOU ARE ENROLLED IN REPETITIVE EFT DRAWS FROM YOUR BANK ACCOUNT, CHANGES IN PREMIUM WILL CHANGE FUTURE DRAW AMOUNTS.

THIS IS NOT A BILL.

NO PREMIUM DUE AT POLICY CHANGE EFFECTIVE DATE.

PROPERTY CHOICE

HARTFORD FIRE INSURANCE COMPANY

PROPERTY CHOICE COVERAGE PART IS CHANGED

PREMISES 1 IS REVISED

LOSS PAYEE(S):

LENDER'S LOSS PAYABLE IS ADDED:
SEE LOSS PAYABLE PROVISIONS

FORM NUMBERS OF COVERAGE PARTS AND ENDORSEMENTS ADDED TO THIS POLICY AT ENDORSEMENT ISSUE: SEE ABOVE FOR COMPANY NAME

IH12011185 LENDERS LOSS PAYEE(S)

Countersigned by
(Where required by law)

Suean S. Castaneda
Authorized Representative

07/19/17
Date

Form HM 12 01 01 07T

POLICY NUMBER: 57 UUN ZM9229
CHANGE NUMBER: 004



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

LENDERS LOSS PAYEE(S)

PROPERTY CHOICE COVERAGE PART

HSBC BANK USA, NA
AS ADMINISTRATIVE AGENT ITS SUCCESSORS AND/OR ASSIGNS
P.O. BOX 1165
BUFFALO, NY 14203
RE: LOC 001 875 HOWARD ST SAN FRANCISCO, CA 94103

Form IH 12 01 11 85 SEQ.NO. 01 Printed in U.S.A.

Schedule 3.13

Subsidiaries; Equity Interests

Company	Country of incorporation	Shareholders
Globant S.A. (sociedad unipersonal)	Spain	100% Globant S.A. (Luxembourg)
Software Product Creation S.L.	Spain	100% Globant S.A. (Spain)
Sistemas Colombia S.A.S.	Colombia	99.99% Globant S.A. (Spain) 00.01% Software Product Creation SL
Globant, LLC	USA	100% Globant S.A. (Spain)
Ratio Cypress LLC	USA	100% Globant, LLC
L4 Mobile LLC	USA	100% Globant, LLC
Point Source LLC	USA	100% Globant, LLC
Sistemas Globales Uruguay S.A.	Uruguay	100% Globant S.A. (Spain)
Difier S.A.	Uruguay	100% Globant S.A. (Spain)
Sistemas UK Ltd.	England & Wales	100% Globant S.A. (Spain)
We Are London Ltd.	England & Wales	100% Globant S.A. (Spain)
Huddle Investment LLP	England & Wales	93.125% Globant S.A. (Luxembourg) 06.875% Globant S.A. (Spain)
Sistemas Globales Chile – Asesorías Limitada	Chile	95.00% Globant S.A. (Spain) 05.00% Software Product Creation S.L.
Global Systems Outsourcing S. de R.L. de C.V.	Mexico	99.99% Globant S.A. (Spain) 00.01% IAFH Global S.A.
IAFH Global S.A.	Argentina	99.9989% Globant S.A. (Spain) 00.0011% Software Product Creation S.L.
Sistemas Globales S.A.	Argentina	99.9978% Globant S.A. (Spain) 00.0022% Software Product Creation S.L.
Huddle Group S.A.	Argentina	98.60% Globant S.A. (Spain) 01.40% Sistemas Globales Chile - Asesorías Ltda.
Globers S.A.	Argentina	95.00% IAFH Global S.A. 05.00% Sistemas Globales S.A.
Dynaflows S.A.	Argentina	66.73% Sistemas Globales S.A.
Globant Brasil Consultoria Ltda.	Brazil	99.99% Globant S.A. (Spain) 00.01% Software Product Creation SL
Globant Peru S.A.C.	Peru	99.99% Globant S.A. (Spain) 00.01% Software Product Creation S.L.
Globant Canada Corp.	Canada	100% Globant S.A. (Spain)
Globant India Pvt. Ltd.	India	89.28% Globant S.A. (Spain)

Schedule 3.20

Labor Matters

None.

Schedule 6.2

Existing Indebtedness

Globant, LLC

Standby Letter of Credit in favor of 251 PAS LLC, in the aggregate principal amount of \$287,100.00

Schedule 6.3

Existing Liens

None.

Schedule 6.6

Existing Investments

None.

EXHIBIT A

[FORM OF]

NOTE

[_____]

[_____], 2017

FOR VALUE RECEIVED, the undersigned, GLOBANT, LLC (the "Borrower"), hereby promises to pay to the order of [_____] (together with its successors and permitted assigns, the "Lender"), on the Maturity Date, the principal sum of [_____] DOLLARS (\$[_____] or, if less, the aggregate unpaid principal amount of all Loans, made by the Lender to the Borrower pursuant to the Credit Agreement, dated as of August 3, 2017, among the Borrower, the Lenders party thereto, and HSBC Bank USA, N.A., as Administrative Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). The Borrower further promises to pay the unpaid principal amount, and interest on the unpaid principal amount, of the Loans evidenced hereby from time to time at the rates, on the dates, and otherwise as provided in the Credit Agreement.

Payments of both principal and interest are to be made without setoff or counterclaim in Dollars in same day or immediately available funds to the account designated by the Administrative Agent pursuant to the Credit Agreement.

The Lender is authorized to record the amount and the date on which each Loan is made and each payment of principal with respect thereto in its records; provided that any failure to so record such information shall not in any manner affect any obligation of the Borrower under the Credit Agreement or this Note.

This Note may only be assigned as provided in the Credit Agreement.

The Borrower hereby waives presentment for payment, demand, protest and notice of dishonor of this Note.

This Note is one of the Notes referred to in, and is entitled to the benefits of, the Credit Agreement and the other Loan Documents. Capitalized terms used but not defined herein have the respective meanings set forth in the Credit Agreement.

THIS REVOLVING NOTE IS GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed and delivered as of the day and year first above written.

GLOBANT, LLC

By: _____
Name: _____
Title: _____

Note Signature Page

EXHIBIT B

[FORM OF]

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the “Assignment and Assumption”) is dated as of the Assignment Effective Date set forth below and is entered into by and between [the][each]¹ Assignor identified in item 1 below ([the][each, an] “Assignor”) and [the][each]² Assignee identified in item 2 below ([the][each, an] “Assignee”). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees]³ hereunder are several and not joint.]⁴ Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor’s][the respective Assignors’] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below and (ii) to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] “Assigned Interest”). Each such sale and assignment is without recourse to

¹ For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

² For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

³ Select as appropriate.

⁴ Include bracketed language if there are either multiple Assignors or multiple Assignees.

[the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: _____

[Assignor [is] [is not] a Defaulting Lender]

2. Assignee[s]: _____

[for each Assignee, indicate [Affiliate][Approved Fund] of [identify Lender]]

3. Borrower(s): Globant, LLC

4. Administrative Agent: HSBC Bank USA, N.A., as the administrative agent under the Credit Agreement

5. Credit Agreement: The Credit Agreement, dated as of August 3, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time), among Globant, LLC, the Lenders that are parties thereto, HSBC Bank USA, N.A., as Administrative Agent

6. Assigned Interest[s]:

Assignor[s] ¹	Assignee[s] ²	Facility Assigned ³	Aggregate Amount of Commitment/Loans for all Lenders ⁴	Amount of Commitment/Loans Assigned ⁸	Percentage Assigned of Commitment/Loans ⁵	CUSIP Number
			\$	\$	%	
			\$	\$	%	
			\$	\$	%	

[7. Trade Date: _____]⁶

¹ List each Assignor, as appropriate.

² List each Assignee, as appropriate.

³ Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g., "Revolving Commitment," "Term [A][B] Commitment," etc.)

⁴ Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Assignment Effective Date.

⁵ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

⁶ To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

Assignment Effective Date: _____, 20[_] [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S]⁷
[NAME OF ASSIGNOR]

By: _____
Title:

[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE[S]⁸
[NAME OF ASSIGNEE]

By: _____
Title:

[NAME OF ASSIGNEE]

By: _____
Title:

⁷ Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

⁸ Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

[Consented to and]⁹ Accepted:

HSBC BANK USA, N.A., as
Administrative Agent

By: _____
Title:

[Consented to:]¹⁰

[**RELEVANT PARTY FULL NAME ALL CAPS**]

By: _____
Title:

⁹ **To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.**

¹⁰ **To be added only if the consent of the Borrower and/or other parties is required by the terms of the Credit Agreement.**

[GLOBANT, LLC CREDIT AGREEMENT DATED AS OF AUGUST 3, 2017 AMONG GLOBANT, LLC, THE LENDERS PARTY THERETO, AND HSBC BANK USA, N.A., AS ADMINISTRATIVE AGENT]

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any Collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Sections 9.4(b)(iii), (v) and (vi) of the Credit Agreement (subject to such consents, if any, as may be required under Section 9.4(b)(iii) of the Credit Agreement), (iii) from and after the Assignment Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest, and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 5.1 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and, based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest and (vii) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents and (ii) it will perform in accordance with their terms

all of the obligations that, by the terms of the Loan Documents, are required to be performed by it as a Lender.

2. Payments. From and after the Assignment Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Assignment Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Assignment Effective Date. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Assignment Effective Date to [the][the relevant] Assignee.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy or in electronic format shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT C

[FORM OF]

SECURITY AGREEMENT

SECURITY AGREEMENT, dated as of [____], 20[___] (as amended, amended and restated, supplemented or otherwise modified from time to time, this "Agreement"), by and between Globant, LLC, a Delaware limited liability company (together with its successors and assigns, the "Grantor") and HSBC Bank USA, N.A., as Administrative Agent (in such capacity, and together with any successor in such capacity, the "Administrative Agent"), for the benefit of the Secured Parties.

The Borrower, the Lenders party thereto from time to time and the Administrative Agent are parties to that certain Credit Agreement, dated as of August 3, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), providing, subject to the terms and conditions thereof, for the making of extensions of credit and other financial accommodations to the Borrower.

To induce the Lenders to enter into the Credit Agreement and to extend credit and other financial accommodations thereunder, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor has agreed to grant a security interest in the Collateral (as hereinafter defined) as security for the Secured Obligations (as defined in the Credit Agreement). Accordingly, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS; TERMS GENERALLY; ETC.

Section 1.1 **Definitions.** Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement.

Section 1.2 **Certain Uniform Commercial Code Terms.** As used herein, the terms "Accession", "Account", "As-Extracted Collateral", "Chattel Paper", "Commodity Account", "Commodity Contract", "Deposit Account", "Document", "Electronic Chattel Paper", "Equipment", "Fixture", "General Intangible", "Goods", "Instrument", "Inventory", "Investment Property", "Letter of Credit Right", "Payment Intangible", "Proceeds", "Promissory Note", "Software" and "Tangible Chattel Paper" have the respective meanings set forth in Article 9 of the NYUCC, and the terms "Certificated Security", "Entitlement Holder", "Financial Asset", "Instruction", "Securities Account", "Security", "Security Certificate", "Security Entitlement", "Supporting Obligation" and "Uncertificated Security" have the respective meanings set forth in Article 8 of the NYUCC.

Section 1.3 **Additional Definitions.** In addition, as used herein:

"**Collateral**" has the meaning set forth in Article III.

"**Contingent Secured Obligations**" means obligations of the Grantor in respect of (a) acceptances created for the benefit of the Grantor by any Secured Party under any Loan

Document, and (b) any other claim that may be payable to any Secured Party by the Grantor under any Loan Document that is not yet due and payable.

“Excluded Accounts” means (a) Deposit Accounts the balance of which consists exclusively of (i) withheld income taxes and federal, state or local employment taxes in such amounts as are required in the reasonable judgment of the Borrower to be paid to the Internal Revenue Service or state or local government agencies with respect to current or former employees of any one or more of the Grantors and (ii) amounts required to be paid over to an employee benefit plan pursuant to DOL Reg. Sec. 25 10.3-102 on behalf of or for the benefit of employees of one or more Grantors or amounts used for workers’ compensation and similar expenses of one or more Grantors, (b) all segregated Deposit Accounts constituting (and the balance of which consists solely of funds set aside in connection with) tax accounts, payroll accounts, trust accounts, social security accounts, any other fiduciary accounts and insurance accounts and (c) certain other Deposit Accounts or Securities Accounts of a Grantor, as the Administrative Agent shall determine in its sole and absolute discretion.

“Grantor” has the meaning set forth in the preamble hereto.

“Initial Pledged Shares” means the Shares of each Issuer beneficially owned by the Grantor on the date hereof and identified in Annex III (Part A).

“Issuers” means, collectively, (a) the respective Persons identified on Annex III (Part A) under the caption “Issuer”, (b) any other Person that shall at any time be a Subsidiary of the Grantor, and (c) the issuer of any equity securities hereafter owned by the Grantor.

“Motor Vehicles” means motor vehicles, tractors, trailers and other like property, if the title thereto is governed by a certificate of title or ownership.

“NYUCC” means the Uniform Commercial Code as in effect from time to time in the State of New York.

“Pledged Shares” means, collectively, (a) the Initial Pledged Shares and (b) all other Shares of any Issuer (subject to the last paragraph of Article III) now or hereafter owned by the Grantor, together in each case with (i) all certificates representing the same, (ii) all shares, securities, moneys or other property representing a dividend on or a distribution or return of capital on or in respect of the Pledged Shares, or resulting from a split-up, revision, reclassification or other like change of the Pledged Shares or otherwise received in exchange therefor, and any warrants, rights or options issued to the holders of, or otherwise in respect of, the Pledged Shares, and (iii) without prejudice to any provision of any of the Loan Documents prohibiting any merger or consolidation by an Issuer, all Shares of any successor entity of any such merger or consolidation.

“Shares” means shares of capital stock of a corporation, limited liability company interests, partnership interests and other ownership or equity interests of any class in any Person (regardless of whether such interests constitute “securities” or “general intangibles” under applicable law).

**ARTICLE II
REPRESENTATION AND WARRANTIES**

The Grantor represents and warrants to the Administrative Agent and the other Secured Parties on and as of the date hereof that:

Section 2.1 **Organizational Matters; Enforceability, Etc.**

(a) The Grantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. The execution, delivery and performance of this Agreement, and the grant of the security interests pursuant hereto, (i) are within the Grantor's powers and have been duly authorized by all necessary limited liability company action, (ii) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except for (1) such as have been obtained or made and are in full force and effect and (2) filings and recordings in respect of the security interests created pursuant hereto, (iii) will not violate any Applicable Law or the charter, by-laws or other organizational documents of the Grantor or any order of any Governmental Authority binding upon the Grantor or its property, (iv) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Grantor or any of its assets, or give rise to a right thereunder to require any payment to be made by any such Person, and (v) except for the security interests created pursuant hereto, will not result in the creation or imposition of any Lien on any asset of the Grantor.

(b) This Agreement has been duly executed and delivered by the Grantor and constitutes, a legal, valid and binding obligation of the Grantor, enforceable against the Grantor in accordance with its terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and (ii) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) Neither the Grantor nor any of its Subsidiaries is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

Section 2.2 **Title.** The Grantor is the sole beneficial owner of the Collateral and no Lien exists upon the Collateral (and no right or option to acquire the same exists in favor of any other Person) other than (a) the security interest created or provided for herein, which security interest constitutes a valid first and prior perfected Lien on the Collateral, and (b) the Liens expressly permitted by the Loan Documents.

Section 2.3 **Names; Filing Details; Etc.** The full and correct legal name, type of organization, jurisdiction of organization and mailing address of the Grantor as of the date hereof are correctly set forth in Annex I. Annex I correctly specifies (a) the place of business of the Grantor or, if the Grantor has more than one place of business, the location of the chief executive office of the Grantor and (b) each location where any financing statement naming the Grantor as debtor is currently on file. The financing statements containing the description of the Collateral that have been prepared for filing in the office specified in Annex I hereto constitute all the filings and recordings that are, as of the Effective Date, necessary to publish notice of and

protect the validity of and to establish a legal, valid and perfected security interest in favor of the Administrative Agent (for the benefit of the Secured Parties) in respect of all Collateral in which a security interest may be perfected by filing such financing statements.

Section 2.4 **Changes in Circumstances.** The Grantor has not (a) within the period of four months prior to the date hereof, changed its location (as defined in Section 9-307 of the NYUCC), (b) within the period of five years prior to the date hereof, except as specified in Annex I, heretofore changed its name, or (c) within five years prior to the date hereof, except as specified in Annex II, heretofore become a “new debtor” (as defined in Section 9-102(a)(56) of the NYUCC) with respect to a currently effective security agreement previously entered into by any other Person.

Section 2.5 **Pledged Shares.**

(a) The Initial Pledged Shares constitute (i) 100% of the issued and outstanding Shares of each Issuer that is a Domestic Subsidiary and Foreign Subsidiary that is not a CFC, in each case, beneficially owned by the Grantor on the date hereof (other than any Shares held in a Securities Account referred to in Annex IV), whether or not registered in the name of the Grantor and (ii) in the case of each Issuer that is a Foreign Subsidiary that is a CFC, (A) 65% of the issued and outstanding shares of voting stock of such Issuer and (B) 100% of all other issued and outstanding shares of capital stock of whatever class of such Issuer beneficially owned by the Grantor on the date hereof, in each case whether or not registered in the name of the Grantor. Annex III (Part A) correctly identifies, as at the date hereof, the respective Issuers of the Initial Pledged Shares and (in the case of any corporate Issuer) the respective class and par value of such Shares and the respective number of such Shares (and registered owner thereof) represented by each such certificate.

(b) The Initial Pledged Shares are, and all other Pledged Shares in which the Grantor shall hereafter grant a security interest pursuant to Article III will be, (i) duly authorized, validly existing, fully paid and non-assessable (in the case of any Shares issued by a corporation) and (ii) duly issued and outstanding (in the case of any Shares in any other entity), and none of such Pledged Shares are or will be subject to any contractual restriction, or any restriction under the organizational documents of the respective Issuer thereof, upon the transfer of such Pledged Shares (except for any such restriction contained herein or in the Loan Documents, or under such organizational documents).

Section 2.6 **Promissory Notes.** Annex III (Part B) sets forth a complete and correct list of all Promissory Notes (other than any held in a Securities Account referred to in Annex IV) held by the Grantor on the date hereof having an aggregate principal amount in excess of \$500,000.

Section 2.7 **Deposit Accounts, Securities Accounts and Commodity Accounts.** Annex IV sets forth a complete and correct list of all Deposit Accounts, Securities Accounts and Commodity Accounts of the Grantor on the date hereof.

Section 2.8 **Commercial Tort Claims.** Annex V sets forth a complete and correct list of all commercial tort claims of the Grantor in existence on the date hereof in an amount in excess of \$100,000.

**ARTICLE III
COLLATERAL**

As collateral security for the payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations, the Grantor hereby pledges and grants to the Administrative Agent, for the ratable benefit of the Secured Parties, a security interest in all of the Grantor's right, title and interest in, to and under the following property, in each case whether tangible or intangible, wherever located, and whether now owned by the Grantor or hereafter acquired and whether now existing or hereafter coming into existence (all of the property described in this Article III being collectively referred to herein as "Collateral"):

- (a) all Accounts;
- (b) all As-Extracted Collateral;
- (c) all Chattel Paper;
- (d) all Deposit Accounts;
- (e) all Documents;
- (f) all Equipment;
- (g) all Fixtures;
- (h) all General Intangibles;
- (i) all Goods not covered by the other clauses of this Article III;
- (j) the Pledged Shares;
- (k) all Instruments, including all Promissory Notes;
- (l) all Inventory;
- (m) all Investment Property not covered by other clauses of this Article III, including all Securities, all Securities Accounts and all Security Entitlements with respect thereto and Financial Assets carried therein, and all Commodity Accounts and Commodity Contracts;
- (n) all Letter of Credit Rights;
- (o) all commercial tort claims, as defined in Section 9-102(a)(13) of the NYUCC, arising out of the events described in Annex V;

(p) all other tangible and intangible personal property whatsoever of the Grantor (excluding, for the avoidance of doubt, Intellectual Property); and

(q) all Proceeds of any of the Collateral, all Accessions to and substitutions and replacements for, any of the Collateral, and all offspring, rents, profits and products of any of the Collateral, and, to the extent related to any Collateral, all books, correspondence, credit files, records, invoices and other papers (including all tapes, cards, computer runs and other papers and documents in the possession or under the control of the Grantor or any computer bureau or service company from time to time acting for the Grantor),

IT BEING UNDERSTOOD, HOWEVER, that the security interest created by this Agreement shall not extend to and the terms "Collateral" and other terms defining the components of the Collateral in the foregoing clauses (a) through (q) shall not include, and none of the representations, warranties, covenants or any other provisions herein or in any other Loan Document shall be deemed to apply to, any of the following: (A) in the case of any of the foregoing that consists of general or limited partnership interests in a general or limited partnership or limited liability company to the extent the security interest granted herein is prohibited by the applicable organizational instrument pursuant to which such partnership or limited liability company is formed; (B) any lease, license, contract, property rights or agreement to which the Grantor is a party (or to any of its rights or interests thereunder) if the grant of such security interest (i) would constitute or result in either (x) the abandonment, invalidation or unenforceability of any right, title or interest of the Grantor therein or (y) in a breach or termination pursuant to the terms of, or a default under, any such lease, license, contract, property rights or agreement, (ii) requires consent, approval, license or authorization from any Governmental Authority or any other Person, or (iii) is prohibited by or is a violation of any Applicable Law (in each case other than to the extent that any such term would be rendered ineffective by Section 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code as in effect in the relevant jurisdiction); (C) the voting stock of any Issuer that is a Foreign Subsidiary that is a CFC in excess of 65% of the aggregate issued and outstanding voting stock of such Issuer; (D) any lease, license or other agreement or any property or rights of the Grantor subject to a purchase money security interest, capital lease obligation or similar arrangements (including permitted refinancings thereof), in each case, to the extent permitted under the Loan Documents, if and for so long as the agreement pursuant to which such Lien is granted (or the document providing such capital lease or similar arrangements) prohibits, or requires the consent of any Person (other than any Loan Party) as a condition to, the creation of any other Lien with respect to such lease, license, other agreement, property or rights unless such consent has been received and is in effect; and (E) any Excluded Accounts.

ARTICLE IV FURTHER ASSURANCES; REMEDIES.

In furtherance of the grant of the security interest pursuant to Article III, the Grantor hereby agrees with the Administrative Agent and the other Secured Parties as follows:

Section 4.1 **Delivery and Other Perfection.** The Grantor shall promptly from time to time give, execute, deliver, file, record, authorize or obtain all such financing statements, continuation statements, notices, instruments, documents, agreements or consents or other papers

as may be necessary or desirable in the judgment of the Administrative Agent, to create, preserve, perfect, maintain the perfection of or validate the security interest granted pursuant hereto or to enable the Administrative Agent to exercise and enforce its rights on behalf of the Secured Parties hereunder with respect to such security interest, and without limiting the foregoing, shall:

(a) if any of the Pledged Shares, Investment Property or Financial Assets constituting part of the Collateral are received by the Grantor, forthwith take such action as the Administrative Agent, may reasonably deem necessary or appropriate to duly record or otherwise perfect the security interest created hereunder in such Collateral;

(b) promptly upon the reasonable request from the Administrative Agent, deliver to the Administrative Agent any and all Instruments constituting part of the Collateral, endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as the Administrative Agent, may request; provided that (other than in the case of the promissory notes described in Annex III (Part B)) so long as no Event of Default shall have occurred and be continuing, the Grantor may retain for collection in the ordinary course any Instruments received by the Grantor in the ordinary course of business and the Administrative Agent shall, promptly upon request of the Grantor, make appropriate arrangements for making any Instrument delivered by the Grantor available to the Grantor for purposes of presentation, collection or renewal (any such arrangement to be effected, to the extent requested by the Administrative Agent, against trust receipt or like document);

(c) promptly upon the reasonable request of the Administrative Agent, enter into such control agreements, each in form and substance reasonably acceptable to the Administrative Agent, as may be required to perfect the security interest created hereby in any and all Deposit Accounts and Securities Accounts to the extent permitted by Applicable Law;

(d) promptly upon request of the Administrative Agent, (i) maintain all Electronic Chattel Paper in excess of \$50,000 so that the Administrative Agent has control of such Electronic Chattel Paper in the manner specified in Section 9-105 of the Uniform Commercial Code of the applicable jurisdiction and (ii) obtain the consent of the issuer to an assignment of proceeds of the applicable letter of credit with respect to any Letter of Credit Rights not constitution Supporting Obligation and are in excess of \$50,000, and will promptly furnish to the Administrative Agent true copies thereof;

(e) keep books and records relating to the Collateral, which shall be full and accurate in all material respects, and stamp or otherwise mark such books and records in such manner as the Administrative Agent may reasonably require in order to reflect the security interests granted by this Agreement; and

(f) permit representatives designated by the Administrative Agent or any Secured Party, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at the expense of the Grantor and at such reasonable times and as often as reasonably requested; provided that when a Default exists the Administrative Agent or any Secured Party (or any of their respective representatives) may do

any of the foregoing at the expense of the Grantor at any time during normal business hours and without advance notice; provided, further, that unless an Event of Default shall have occurred and be continuing, the Grantor shall have been afforded a reasonable opportunity to be present at any such discussion.

Notwithstanding anything to the contrary herein or in any other Loan Document, the Grantor shall not be required to (i) take any collateral perfection action other than the filing of Uniform Commercial Code financing statements or (ii) bear the costs or expenses of any collateral perfection other than as described in clause (i), in each case, except following the request of the Administrative Agent following the occurrence and during the continuance of an Event of Default.

Section 4.2 **Other Financing Statements or Control.** Except as otherwise permitted under the Loan Documents, the Grantor shall not (a) file or suffer to be on file, or authorize or permit to be filed or to be on file, in any jurisdiction, any financing statement or like instrument with respect to any of the Collateral in which the Administrative Agent is not named as the sole secured party, except for any filing or instrument made in connection with any Liens permitted by the Loan Documents or (b) cause or permit any Person other than the Grantor or the Administrative Agent to have “control” (as defined in Section 9-104, 9-105, 9-106 or 9-107 of the NYUCC) of any Deposit Account, Electronic Chattel Paper, or Investment Property or Letter of Credit Right constituting part of the Collateral.

Section 4.3 **Preservation of Rights.** The Administrative Agent shall not be required to take steps necessary to preserve any rights against prior parties to any of the Collateral.

Section 4.4 **Special Provisions Relating to Certain Collateral.**

(a) **Pledged Shares.**

(i) The Grantor will cause the Pledged Shares to constitute at all times (1) 100% of the total number of Shares of each Issuer that is a Domestic Subsidiary and a Foreign Subsidiary that is not a CFC, then issued and outstanding owned by the Grantor and (2) in the case of each Issuer that is a Foreign Subsidiary that is a CFC, 65% of the total number of Shares of voting stock of such Issuer and 100% of the total number of Shares of all other classes of capital stock of such Issuer then issued and outstanding owned by the Grantor.

(ii) So long as no Event of Default shall have occurred and be continuing, the Grantor shall have the right to exercise all voting, consensual and other powers of ownership pertaining to the Pledged Shares for all purposes not inconsistent with the terms of this Agreement, the Loan Documents or any other instrument or agreement referred to herein or therein; and the Administrative Agent shall execute and deliver to the Grantor or cause to be executed and delivered to the Grantor all such proxies, powers of attorney, dividend and other orders, and all such instruments, without recourse, as the Grantor may reasonably request for the purpose of enabling the Grantor to exercise the rights and powers that it is entitled to exercise pursuant to this Section 4.4(a)(ii).

(iii) Unless and until an Event of Default shall have occurred and be continuing, the Grantor shall be entitled to receive and retain any dividends, distributions or proceeds on the Pledged Shares paid in cash out of earned surplus.

(iv) If an Event of Default shall have occurred and be continuing, whether or not the Administrative Agent exercises any available right to declare any Secured Obligations due and payable or seeks or pursues any other relief or remedy available to it under Applicable Law or under this Agreement, the Loan Documents or any other agreement relating to such Secured Obligation, all dividends and other distributions on the Pledged Shares shall be paid directly to the Administrative Agent, for the benefit of the Secured Parties, and retained by it in a cash collateral account as part of the Collateral, subject to the terms of this Agreement, and, if the Administrative Agent shall so request in writing, the Grantor agrees to execute and deliver to the Administrative Agent appropriate additional dividend, distribution and other orders and documents to that end, provided that if such Event of Default is cured, any such dividend or distribution theretofore paid to the Administrative Agent shall, upon request of the Grantor (except to the extent theretofore applied to the Secured Obligations), be returned by the Administrative Agent to the Grantor.

(b) Chattel Paper. The Grantor will cause each original of each item of Chattel Paper at any time constituting part of the Collateral, and (ii) cause each such original and each copy thereof to bear a conspicuous legend, in form and substance reasonably satisfactory to the Administrative Agent, indicating that such Chattel Paper is subject to the security interest granted hereby and that purchase of such Chattel Paper by a Person other than the Administrative Agent without the consent of the Administrative Agent would violate the rights of the Administrative Agent.

Section 4.5 Remedies.

(a) Rights and Remedies Generally upon an Event of Default. If an Event of Default shall have occurred and is continuing, the Administrative Agent shall have all of the rights and remedies with respect to the Collateral of a secured party under the NYUCC (whether or not the Uniform Commercial Code is in effect in the jurisdiction where the rights and remedies are asserted) and such additional rights and remedies to which a secured party is entitled under the Applicable Law in effect in any jurisdiction where any rights and remedies hereunder may be asserted, including the right, to the fullest extent permitted by Applicable Law, to exercise all voting, consensual and other powers of ownership pertaining to the Collateral as if the Administrative Agent were the sole and absolute owner thereof (and the Grantor agrees to take all such action as may be appropriate to give effect to such right); and without limiting the foregoing, the Administrative Agent may in each case, at any time after the occurrence and during the continuation of an Event of Default:

(i) in its name or in the name of the Grantor or otherwise, demand, sue for, collect or receive any money or other property at any time payable or receivable on account of or in exchange for any of the Collateral, but shall be under no obligation to do so;

(ii) make any reasonable compromise or settlement deemed desirable with respect to any of the Collateral and may extend the time of payment, arrange for payment in installments, or otherwise modify the terms of, any of the Collateral;

(iii) require the Grantor to notify (and the Grantor hereby authorizes the Administrative Agent so to notify) each account debtor in respect of any Account, Chattel Paper or General Intangible, and each obligor on any Instrument, constituting part of the Collateral that such Collateral has been assigned to the Administrative Agent hereunder, and to instruct that any payments due or to become due in respect of such Collateral shall be made directly to the Administrative Agent or as it may direct (and if any such payments, or any other Proceeds of Collateral, are received by the Grantor they shall be held in trust by the Grantor for the benefit of the Administrative Agent and as promptly as possible remitted or delivered to the Administrative Agent for application as provided herein);

(iv) require the Grantor to assemble the Collateral at such place or places, reasonably convenient to the Administrative Agent and the Grantor, as the Administrative Agent may direct;

(v) apply any cash collateral account and any money or other property therein to payment of the Secured Obligations;

(vi) require the Grantor to cause the Pledged Shares to be transferred of record into the name of the Administrative Agent or its nominee (and the Administrative Agent agrees that if any of such Pledged Shares is transferred into its name or the name of its nominee, the Administrative Agent will thereafter promptly give to the Grantor copies of any notices and communications received by it with respect to such Pledged Shares); and

(vii) sell, lease, assign or otherwise dispose of all or any part of the Collateral, at such place or places as the Administrative Agent deems best, and for cash or for credit or for future delivery (without thereby assuming any credit risk), at public or private sale, without demand of performance or notice of intention to effect any such disposition or of the time or place thereof (except such notice as is required by applicable statute and cannot be waived), and the Administrative Agent or anyone else may be the purchaser, lessee, assignee or recipient of any or all of the Collateral so disposed of at any public sale (or, to the extent permitted by Applicable Law, at any private sale) and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any right or equity of redemption (statutory or otherwise), of the Grantor, any such demand, notice and right or equity being hereby expressly waived and released. The Administrative Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the sale may be so adjourned.

The Proceeds of each collection, sale or other disposition under this Section 4.5, including by virtue of the exercise of any license granted to the Administrative Agent in Section 4.4(b), shall be applied in accordance with Section 4.9.

(b) Certain Securities Act Limitations. The Grantor recognizes that, by reason of certain prohibitions contained in the Securities Act of 1933, as amended, and applicable state securities laws, the Administrative Agent may be compelled, with respect to any sale of all or any part of the Collateral, to limit purchasers to those who will agree, among other things, to acquire the Collateral for their own account, for investment and not with a view to the distribution or resale thereof. The Grantor acknowledges that any such private sales may be at prices and on terms less favorable to the Secured Parties than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Administrative Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Collateral for the period of time necessary to permit the issuer thereof to register it for public sale.

(c) Notice. The Grantor agrees that to the extent the Administrative Agent is required by Applicable Law to give reasonable prior notice of any sale or other disposition of any Collateral, ten (10) Business Days' notice shall be deemed to constitute reasonable prior notice.

Section 4.6 Deficiency. If the proceeds of sale, collection or other realization of or upon the Collateral pursuant to Section 4.5 are insufficient to cover the costs and expenses of such realization and the payment in full of the Secured Obligations, the Grantor shall remain liable for any deficiency.

Section 4.7 Locations; Names, Etc. Without at least thirty (30) days' prior written notice to the Administrative Agent, the Grantor shall not (i) change its location (as defined in Section 9-307 of the NYUCC), (ii) change its name from the name shown as its current legal name on Annex I, or (iii) agree to or authorize any modification of the terms of any item of Collateral that would result in a change thereof from one Uniform Commercial Code category to another such category (such as from a General Intangible to Investment Property), if the effect thereof would be to result in a loss of perfection of, or diminution of priority for, the security interests created hereunder in such item of Collateral, or the loss of control (within the meaning of Section 9-104, 9-105, 9-106 or 9-107 of the NYUCC) over such item of Collateral.

Section 4.8 Private Sale. The Administrative Agent shall incur no liability as a result of the sale of the Collateral, or any part thereof, at any private sale pursuant to Section 4.5 conducted in a commercially reasonable manner. The Grantor hereby waives any claims against the Administrative Agent or any Secured Party arising by reason of the fact that the price at which the Collateral may have been sold at such a private sale was less than the price that might have been obtained at a public sale or was less than the aggregate amount of the Secured Obligations, even if the Administrative Agent accepts the first offer received and does not offer the Collateral to more than one offeree.

Section 4.9 **Application of Proceeds.** Except as otherwise expressly provided herein, the Proceeds of any collection, sale or other realization of all or any part of the Collateral pursuant hereto, and any other cash at the time held by the Administrative Agent under this Article IV, shall be applied by the Administrative Agent in accordance with Section 7.2 of the Credit Agreement.

For purposes hereof, whenever this Agreement contemplates that cash collateral shall be provided for Contingent Secured Obligations, such cash collateral shall be effected by the payment to the Administrative Agent of any amount that will be deposited into a cash collateral account to be held by the Administrative Agent as collateral security for the payment of such Contingent Secured Obligations as and when they become due and payable.

Section 4.10 **Attorney-in-Fact.** Without limiting any rights or powers granted by this Agreement to the Administrative Agent while no Event of Default has occurred and is continuing, upon the occurrence and during the continuance of any Event of Default the Administrative Agent is hereby appointed the attorney-in-fact of the Grantor for the purpose of carrying out the provisions of this Article IV and taking any action and executing any instruments that the Administrative Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, so long as the Administrative Agent shall be entitled under this Article IV to make collections in respect of the Collateral, the Administrative Agent shall have the right and power to receive, endorse and collect all checks made payable to the order of the Grantor representing any dividend, payment or other distribution in respect of the Collateral or any part thereof and to give full discharge for the same.

Section 4.11 **Perfection and Recordation.** The Grantor authorizes the Administrative Agent to file Uniform Commercial Code financing statements describing the Collateral as “all assets” or “all personal property and fixtures” or words of similar effect of the Grantor (provided that no such description shall be deemed to modify the description of Collateral set forth in Article III).

Section 4.12 **Termination and Release.**

(a) When all Commitments shall have expired or terminated and all Secured Obligations (other than unasserted contingent indemnification liabilities) have been paid in full, this Agreement shall terminate and the Collateral shall be automatically released from the Liens granted hereunder and the other Loan Documents without further action by any Person. The Administrative Agent shall forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Collateral and money received in respect thereof, to or on the order of the Grantor and to be released and canceled all licenses and rights referred to in Section 4.4(b). The Administrative Agent shall also, at the expense of the Grantor, execute and deliver to the Grantor upon such termination such Uniform Commercial Code termination statements, and such other documentation as shall be reasonably requested by the Grantor to effect the termination and release of the liens on the Collateral as required by this Section 4.12.

(b) Upon any sale, lease, transfer or other disposition of any item of Collateral of the Grantor and upon the release of the Grantor from its obligations under its Guaranty, in each case permitted by, and in accordance with, the terms of the Loan Documents, the Administrative Agent will, at the Grantor's expense, execute and deliver to the Grantor upon such release or termination such Uniform Commercial Code amendment statements or termination statements, as the case may be and such other documentation as shall be reasonably requested by the Grantor to effect the release of the liens on such item of Collateral or Grantor and return all such Collateral in its possession to the Grantor.

Section 4.13 **Standard of Care.** The powers conferred on the Administrative Agent under this Agreement are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody and preservation of the Collateral in its possession and the accounting for monies actually received by it, the Administrative Agent shall have no other duty as to the Collateral, whether or not the Administrative Agent or any of the other Lenders has or is deemed to have knowledge of any matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to the Collateral. The Administrative Agent hereby agrees to exercise reasonable care in respect of the custody and preservation of the Collateral. The Administrative Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Administrative Agent accords its own property.

ARTICLE V MISCELLANEOUS.

Section 5.1 **Notices.** All notices and other communications provided for herein shall be in writing and shall be delivered pursuant to Section 9.1 of the Credit Agreement.

Section 5.2 **No Waiver.** No failure or delay or course of dealing on the part of the Secured Parties in the exercise of any power, right or privilege hereunder or under any other Loan Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. The rights, powers and remedies given to the Administrative Agent and each Secured Party hereby are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other Loan Documents or any of the Lender Provided Hedging Agreements or any Lender Provided Financial Service Product. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

Section 5.3 **Amendments, Etc.** The terms of this Agreement may be waived, altered or amended only by an instrument in writing duly executed by the Grantor and the Administrative Agent.

Section 5.4 **Expenses.**

(a) The Grantor agrees to reimburse the Administrative Agent for all reasonable and documented out-of-pocket expenses incurred by it (including the reasonable fees, charges and disbursements of legal counsel) in connection with the syndication of the facilities, the preparation, negotiation, execution, delivery, recordation and filing (including all recording and filing fees, and all mortgage, intangible and other taxes) (subject, in each case, to the limitations expressly set forth in any other Loan Document) and administration of the Loan Documents, or any amendment, modification or waiver of the provisions thereof (whether or not the transactions contemplated thereby shall be consummated), sums paid or incurred to pay by the Grantor or any other Loan Party under the Loan Documents and costs to verify the Collateral.

(b) The Grantor further agrees to reimburse each Secured Party upon demand for all reasonable and documented out-of-pocket expenses incurred by such Secured Party in connection with the enforcement or protection of its rights in connection with any Loan Document, including its rights under this Section, and all reasonable and documented out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of any Secured Obligations; (ii) the negotiation of any restructuring or “work out”, whether or not consummated, of any Secured Obligations; (iii) the enforcement or protection of its rights in connection with any Loan Document; and (iv) any claim, litigation, investigation or proceeding relating to any Loan Document.

(c) To the extent that the Grantor for any reason fails to indefeasibly pay any amount required under clause (a) to be paid by it to the Administrative Agent (or sub-agent thereof) or any Related Party, each Lender severally agrees to pay to the Administrative Agent (or any sub-agent) or such Related Party, as the case may be, such Lender’s pro rata share (determined as of the time that the applicable unreimbursed expense or payment is sought based on each Lender’s share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that the unreimbursed expense or payment, as the case may be, was incurred by or asserted against the Administrative Agent (or any sub-agent) or against any Related Party acting for the Administrative Agent (or any sub-agent) in connection with such capacity. The obligations of the Lenders under this clause are several and not joint.

(d) All amounts due under this Section shall be payable promptly after demand therefor.

Section 5.5 **Successors and Assigns.** This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and the successors and assigns of the Secured Parties. The Grantor’s rights and obligations hereunder and any interest therein may not be assigned or delegated by the Grantor without the prior written consent of the Administrative Agent (and any purported assignment or delegation without such consent shall be null and void).

Section 5.6 **Counterparts.** This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or in electronic (i.e., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 5.7 **Governing Law; Jurisdiction; Service of Process and Venue.**

(a) **Governing Law.** This Agreement and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement and the transactions contemplated hereby shall be governed by, and construed in accordance with, the law of the State of New York, without regard to conflicts of law principals except Title 14 of Article 5 of the New York General Obligations law.

(b) **Consent to Jurisdiction.** The Grantor irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any other Secured Party or any Related Party of the foregoing in any way relating to this Agreement or the transactions relating hereto, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court for the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, in any way relating to this Agreement or the transactions relating hereto may be heard and determined in such New York State court or, to the fullest extent permitted by Applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Applicable Law. Nothing in this Agreement shall affect any right that the Administrative Agent or any other Secured Party may otherwise have to bring any action or proceeding relating to this Agreement against the Grantor or its properties in the courts of any jurisdiction. The Grantor irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement in any court referred to in this clause (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 5.1. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

Section 5.8 **WAIVER OF JURY TRIAL.** EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 5.9 **Headings.** Article and Section headings used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 5.10 **Severability.** Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 5.11 **Entire Agreement.** This Agreement and the other Loan Documents represent the entire agreement among the parties relating to the subject matter hereof and thereof, and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

Section 5.12 **No Fiduciary Relationship.** The Secured Parties and the Administrative Agent may have economic interests that conflict with those of the Grantor, its stockholders and/or its Affiliates. The Grantor agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Secured Party or the Administrative Agent, on the one hand, and the Grantor, its stockholders or its Affiliates, on the other. The Grantor acknowledges and agrees that (a) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions and (B) in connection therewith and with the process leading thereto (i) no Secured Party nor the Administrative Agent has assumed an advisory or fiduciary responsibility in favor of the Grantor, its stockholder or its Affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Secured Party or the Administrative Agent has advised, is currently advising or will advise the Grantor, its stockholders or its Affiliates on other matters) or any other obligation to the Grantor except the obligations expressly set forth in the Loan Documents and (ii) each Secured Party and the Administrative Agent is acting solely as principal and not as the agent or fiduciary for the Grantor, its management, stockholders, creditors or any other Person. The Grantor acknowledges and agrees that the Grantor has consulted its own legal and financial advisors to the extent it deemed appropriate and it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Grantor agrees that it will not claim that the Administrative Agent or any Secured Party has rendered advisory services of any nature or respect, or owes any fiduciary or similar duty to the Grantor, in connection with such transaction or the process leading thereto.

Section 5.13 **Setoff.** If an Event of Default shall have occurred and be continuing, each Lender, each other Secured Party and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender, such other Secured Party or any such Affiliate, to or for the credit or the account of the Grantor against any and all of the obligations of the Grantor or any other Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or such

other Secured Party or their respective Affiliates, irrespective of whether or not such Lender, such other Secured Party or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Grantor or such Loan Party may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender or such other Secured Party different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness.

[Signature Page Follows]

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

GLOBANT, LLC

By _____

Name:

Title:

Signature Page to Security Agreement

HSBC BANK USA, N.A.,
as Administrative Agent

By _____

Name:

Title:

Signature Page to Security Agreement

NAMES, LOCATIONS AND FILING DETAILS

[See Sections 2.3, 2.4 and 4.7]

Names

Grantor's correct legal name:	Previous names:	Additional names:	Type of organization:	Jurisdiction of organization
Globant, LLC	N/A	N/A	Limited Liability Company	Delaware

Principal Place of Business

Grantor:	Principal Place of Business:
Globant, LLC	875 Howard Street, Suite 320, San Francisco, CA 94103

Changes in Circumstances

None.

Filing Office

Grantor:	Filing Office:
Globant, LLC	Delaware Secretary of State

Annex I to Security Agreement

NEW DEBTOR EVENTS

[See Section 2.4]

None.

Annex II to Security Agreement

PLEGDED SHARES AND PROMISSORY NOTES

[See definition of “Issuers” and “Initial Pledged Shares” in Section 1.3 and Sections 2.5, 2.6, 3(j), 3(k) and 4.1(b)]

Part A

Pledged Stock, Pledged Partnership Interests and Pledged LLC Interests

Grantor:	Issuer:	Class of Equity Interest:	Par Value:	Certificate No(s).	No. of Shares/Units	Percentage of Outstanding Shares/Units
Globant, LLC	L4 Mobile LLC	Membership Interest	N/A	N/A	100%	100%
Globant, LLC	Ratio Cypress LLC	Membership Interest	N/A	N/A	100%	100%
Globant, LLC	Point Source LLC	Membership Interest	N/A	N/A	100%	100%

Part B

Pledged Notes

None.

Annex III to Security Agreement

**LIST OF DEPOSIT ACCOUNTS, AND SECURITIES ACCOUNTS AND COMMODITY
ACCOUNTS**

[See Section 2.7]

Securities Accounts

<u>Grantor</u>	<u>Type of Account</u>	<u>Name of Approved Securities Intermediary</u>	<u>Account Number</u>
Globant, LLC	Asset	J.P. Morgan	

Commodity Accounts

None.

Deposit Accounts

<u>Grantor</u>	<u>Type of Account</u>	<u>Name of Approved Depository Bank</u>	<u>Account Number</u>
Globant, LLC	Checking	Citibank	
Globant, LLC	Checking	Citibank	
Globant, LLC	Checking	HSBC	
Globant, LLC	Savings	HSBC	
Globant, LLC	Checking	Bridge Bank	

Annex IV to Security Agreement

LIST OF COMMERCIAL TORT CLAIMS

[See Sections 2.8 and 3(o)]

None.

Annex V to Security Agreement

EXHIBIT D-1

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of August 3, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among GLOBANT, LLC, the Lenders party thereto, and HSBC BANK USA, N.A., as Administrative Agent.

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the IRC, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the IRC and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the IRC.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned or in either of the two calendar years preceding such payments. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[LENDER FULL NAME ALL CAPS]

By: _____

Name:

Title:

Date: [_____] [____], 20[____]

EXHIBIT D-2

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of August 3, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among GLOBANT, LLC, the Lenders party thereto and HSBC BANK USA, N.A., as Administrative Agent.

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the IRC, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the IRC and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the IRC.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[PARTICIPANT FULL NAME ALL CAPS]

By: _____

Name:

Title:

Date: [_____] [__], 20[__]

EXHIBIT D-3

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of August 3, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among GLOBANT, LLC, the Lenders party thereto and HSBC BANK USA, N.A., as Administrative Agent.

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the IRC, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the IRC and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the IRC.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned or in either of the two calendar years preceding such payments. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[PARTICIPANT FULL NAME ALL CAPS]

By: _____

Name:

Title:

Date: [_____] [____], 20[____]

EXHIBIT D-4

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of August 3, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among GLOBANT, LLC, the Lenders party thereto and HSBC BANK USA, N.A., as Administrative Agent.

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the IRC, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the IRC and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the IRC.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[LENDER FULL NAME ALL CAPS]

By: _____

Name:

Title:

Date: [_____] [__], 20[__]

EXHIBIT E
[FORM OF]
BORROWING REQUEST

Date: [____], 20[__]

HSBC Bank USA, N.A.,
Corporate Trust and Loan Agency
452 5th Avenue (8E6)
New York, NY 10018

Re: GLOBANT, LLC Credit Agreement

Ladies/Gentlemen:

Reference is hereby made to the Credit Agreement, dated as of August 3, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among GLOBANT, LLC (the "Borrower"), the Lenders party thereto and HSBC BANK USA, N.A., as Administrative Agent. Capitalized terms used but not defined herein have the respective meanings set forth in the Credit Agreement.

The Borrower irrevocably requests the making of Loans as follows:

1. Date of Borrowing: [____], [____].
2. Aggregate Amount of Borrowing: \$[_____] ¹⁵.
3. Type of Borrowing: [Base Rate Borrowing] [Eurodollar Borrowing].
- [4. Initial Interest Period for Eurodollar Borrowing: [_____] month(s).]
5. Location and number of Borrower's account to which funds are to be disbursed:

Account Location: [_____]

Account Number: [_____]

The Borrower certifies that on the date hereof:

- (a) the representations and warranties of the Loan Parties set forth in the Loan Documents are true and correct in all material respects (except to the extent already qualified by materiality, in which case any such representation or

¹⁵ **1,000,000 or a higher integral multiple of \$500,000 in respect of a Eurodollar Loan; and \$1,000,000 or a higher integral multiple of \$500,000 in respect of a Base Rate Loan.**

warranty shall be true and correct in all respects) on and as of the date of the Borrowing requested hereby, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (except to the extent already qualified by materiality, in which case any such representation or warranty shall be true and correct in all respects) as of such earlier date; and

(b) no Default or Event of Default exists or will exist immediately after giving effect to such Borrowing.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned has caused this Borrowing Request to be executed and delivered by the undersigned authorized representative of the Borrower hereunto duly authorized as of the date first above written.

GLOBANT, LLC

By: _____

Name:

Title:

Signature Page to Borrowing Request

EXHIBIT F
[FORM OF]
INTEREST ELECTION REQUEST

Date:[_____], 20[___]

HSBC Bank USA, N.A.,
Corporate Trust and Loan Agency
452 5th Avenue (8E6)
New York, NY 10018

Re: *GLOBANT, LLC Credit Agreement*

Ladies and Gentlemen:

Reference is made to the Credit Agreement, dated as of August 3, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among GLOBANT, LLC (the "Borrower"), the Lender party thereto and HSBC BANK USA, N.A., as Administrative Agent. Capitalized terms used but not defined herein have the respective meanings set forth in the Credit Agreement.

The Borrower irrevocably requests the [conversion of Base Rate Loans to Eurodollar Loans][conversion of Eurodollar Loans to Base Rate Loans] [continuation of Eurodollar Loans for a new Interest Period] as follows:

1. Date of [conversion][continuation]: [_____], 20[___].
2. Aggregate principal amount of Loans to be [converted][continued]: \$[_____].
3. Type of Borrowing: The Loans to be [converted][continued] currently are [Base Rate Borrowings][Eurodollar Borrowings with an Interest Period ending on [_____], 20[___]].
- [4. Interest Period for the Eurodollar Borrowing after [conversion][continuation]: [_____] months.]

The Borrower certifies that on the date hereof, no Event of Default exists.¹

[Signature page follows]

¹ ***Unless the Required Lenders otherwise consent to the proposed conversion or continuation.***

IN WITNESS WHEREOF, the undersigned has caused this Interest Election Request to be executed and delivered by the undersigned authorized representative of the Borrower hereunto duly authorized as of the date first above written.

GLOBANT, LLC

By: _____
Name:
Title:

Signature Page to Interest Election Request

EXHIBIT G

[FORM OF]

COMPLIANCE CERTIFICATE

[DATE]

HSBC Bank USA, N.A., as Administrative Agent
Corporate Trust and Loan Agency
452 5th Avenue (8E6)
New York, NY 10018

Re: *GLOBANT, LLC Credit Agreement*

Ladies and Gentlemen:

Reference is hereby made to the Credit Agreement, dated as of August 3, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among GLOBANT, LLC (the "Borrower"), the Lenders party thereto and HSBC BANK USA, N.A., as Administrative Agent. Capitalized terms used but not defined herein have the respective meanings set forth in the Credit Agreement.

The undersigned Financial Officer of the Borrower hereby certifies as of the date hereof that he/she is the of the Borrower, and that, as such, he/she is authorized to execute and deliver this Compliance Certificate to the Administrative Agent on behalf of the Borrower, and that:

*[Use following paragraph 1 for fiscal **year-end** financial statements]*

1. Annual Audit Report. Attached hereto as Schedule I are the year-end audited consolidated financial statements of Globant S.A. required by Section 5.1(a) of the Credit Agreement for the fiscal year of the Borrower ended as of December 31, [___] (the "Computation Date").

*[Use following paragraph 1 for fiscal **quarter-end** financial statements]*

1. Quarterly Financial Statements. Attached hereto as Schedule I are the Borrower-prepared consolidated (if applicable) financial statements of the Borrower and Globant S.A. required by Section 5.1(b) of the Credit Agreement for the fiscal quarter of the Borrower ended as of (the "Computation Date")¹ in form and substance as set forth in such section.

2. Financial Tests. The Borrower certifies and warrants to you that the attached Schedule II sets forth true and correct computations as of the immediately preceding four fiscal

¹The "Computation Date" is the last day of the applicable fiscal quarter.

quarters ending on _____ of the ratios and/or financial restrictions contained in Section 6.1 of the Credit Agreement.

3. Default. The undersigned has reviewed and is familiar with the terms of the Credit Agreement and has made, or has caused to be made under his/her supervision, a detailed review of the condition (financial or otherwise) of the Borrower as of the Computation Date and for the accounting period then ended with the purpose of determining whether the Borrower was in compliance with the Credit Agreement as of such date, and to the best knowledge of the undersigned, no Default has occurred and is continuing [, except as described below:]².

4. Representations and Warranties. The representations and warranties of the Loan Parties set forth in the Loan Documents are true and correct in all material respects (except to the extent already qualified by materiality, in which case any such representation or warranty shall be true and correct in all respects) on and as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (except to the extent already qualified by materiality, in which case any such representation or warranty shall be true and correct in all respects) as of such earlier date[, except as described below:]³.

5. Changes to IFRS. Since the date of the year-end audited consolidated financial statements of Globant S.A. required by Section 5.1(a) of the Credit Agreement for the fiscal year of the Borrower ended as of December 31, [____], no changes in IFRS or the application thereof has occurred[, except as described below:]⁴.

[Signature page follows]

² *If such an event has occurred and is continuing, describe such event and the steps, if any, being taken to cure it.*

³ *If any representation or warranty is inaccurate as of the date of this certificate, qualify any statement therein to make such representation or warranty accurate.*

⁴ *If such a change has occurred, describe such change and specify the effects thereof on the financial statements accompanying the certificate.*

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first above written.

GLOBANT, LLC

By: _____
Name:
Title:

Signature Page to Compliance Certificate

SCHEDULE I
to Compliance Certificate

For the fiscal month/year ended on [_____], 20[__]

Financial Statements

Sch. I-1

SCHEDULE II
to Compliance Certificate

For the immediately preceding four fiscal quarters ending on [_____], 20[__]

[as attached]

Sch. II-1

GUARANTY

GUARANTY, dated as of August 3, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time, this "Guaranty"), made by Globant S.A., a Luxembourg *société anonyme* having its registered office at 37A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies' Register under number B 173727 (the "Guarantor"), in favor of HSBC Bank USA, N.A., as administrative agent (in such capacity, the "Administrative Agent") for each of the Secured Parties.

WITNESSETH:

WHEREAS, pursuant to the Credit Agreement, dated as of the date hereof (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Globant, LLC (the "Borrower"), the Lenders party thereto and the Administrative Agent, the Lenders have agreed to make extensions of credit and other financial accommodations to the Borrower, subject to the terms and conditions thereof;

WHEREAS, as a condition precedent to the making of the initial extensions of credit and the other financial accommodations to the Borrower under the Credit Agreement, the Guarantor is required to execute and deliver this Guaranty; and

WHEREAS, the Guarantor has duly authorized the execution, delivery and performance of this Guaranty and will receive direct and indirect benefits by reason of the extensions of credit and the other financial accommodations made from time to time to the Borrower by the Lenders;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor hereby agrees with the Administrative Agent, for its benefit and the benefit of each other Secured Party, as follows:

**ARTICLE I
DEFINITIONS**

Section 1.1 **Certain Terms**. The following terms (whether or not underscored) when used in this Guaranty (including its preamble and recitals) shall have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

"Administrative Agent" has the meaning set forth in the preamble.

"Borrower" has the meaning set forth in the first recital.

"Credit Agreement" has the meaning set forth in the first recital.

"Discharge of Obligations" has the meaning set forth in Section 2.3.

"Guarantor" has the meaning set forth in the preamble.

"Guaranty" has the meaning set forth in the preamble.

“**Qualified ECP Guarantor**” means, in respect of any Swap Obligation, each Loan Party that has total assets exceeding \$10,000,000 at the time the relevant Guaranty or grant of the relevant security interest becomes or would become effective with respect to such Swap Obligation or such other person as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

Section 1.2 **Credit Agreement Definitions.** Unless otherwise defined herein or the context otherwise requires, capitalized terms used in this Guaranty, including its preamble and recitals, have the meanings provided in the Credit Agreement.

ARTICLE II GUARANTY

Section 2.1 **Guaranty.** The Guarantor hereby unconditionally, absolutely and irrevocably guarantees as primary obligor and not merely as surety to the Administrative Agent for the benefit of the Secured Parties, the full and prompt payment and performance when due, whether at stated maturity, by acceleration or otherwise (including, without limitation, all amounts which would have become due but for the operation of the automatic stay under Section 362(a) of the United States Bankruptcy Code, 11 U.S.C. 362(a)) of the Secured Obligations.

This Guaranty constitutes a guaranty of payment when due and not merely of collection and shall apply to all Secured Obligations whenever arising. The Guarantor hereby specifically and unconditionally agrees that it shall not be necessary or required that any Secured Party exercise any right, assert any claim or demand or enforce any remedy whatsoever against the Borrower, any other Loan Party or any Collateral before or as a condition to the obligations of the Guarantor hereunder. Notwithstanding any term or provision of this Guaranty to the contrary, (a) the aggregate maximum amount of the Secured Obligations for which the Guarantor shall be liable under this Guaranty shall not exceed the maximum amount for which the Guarantor can be liable without rendering this Guaranty or any other Loan Document, as it relates to the Guarantor, void or voidable under Applicable Law relating to fraudulent conveyance or fraudulent transfer; and (b) the Secured Obligations, as to the Guarantor, shall not include any Excluded Swap Obligations.

Section 2.2 **Acceleration of Guaranty.** The Guarantor agrees that, if any Event of Default under clause (h) or (i) of Section 7.1 of the Credit Agreement shall occur or the Loans are declared due and payable, the Guarantor will, automatically and without the requirement that any demand for payment be made, pay to the Administrative Agent for the account of the Secured Parties forthwith the full amount of the Secured Obligations that are then due and payable and for purposes of this Guaranty, notwithstanding any stay, injunction or other prohibition (whether in a bankruptcy proceeding affecting the Borrower or otherwise) preventing such declaration as against the Borrower and that, in the event of such declaration or automatic acceleration, such obligations (whether or not due and payable by the Borrower) shall forthwith become due and payable by the Guarantor for purposes of this Guaranty.

Section 2.3 **Guaranty Absolute.** This Guaranty is a continuing, absolute, unconditional and irrevocable guaranty of payment and shall remain in full force and effect until (i) all the Secured Obligations under the Loan Documents (other than unasserted contingent indemnification obligations) have been paid in full in cash and (ii) all Commitments shall have expired or irrevocably terminated (the occurrence of clauses (i) and (ii), the “Discharge of Obligations”). The Guarantor guarantees that the Secured Obligations will be paid strictly in accordance with the terms of the agreement under which they arise, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of any Secured Party with respect thereto. The liability of the Guarantor under this Guaranty and the validity and enforceability of this Guaranty, shall be absolute and unconditional irrespective of, and shall not be impaired or affected by any of the following:

(a) any lack of validity, legality or enforceability of any Loan Document or any other agreement or instrument relating to any thereof;

(b) the failure of any Secured Party:

(i) to assert any claim or demand or to enforce any right or remedy against the Borrower, any other Loan Party or any other Person (including any other guarantor) under the provisions of any Loan Document or otherwise, or

(ii) to exercise any right or remedy against any other guarantor of, or collateral securing, any of the Secured Obligations;

(c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any compromise, renewal, extension, acceleration or release with respect thereto, or any other amendment or waiver of or any consent to departure from any Loan Document;

(d) any addition, exchange, release, impairment or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Secured Obligations;

(e) any defense, setoff or counterclaim which may at any time be available to or be asserted by the Borrower or any other Loan Party against any Secured Party;

(f) any reduction, limitation, impairment or termination of the Secured Obligations for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to (and the Guarantor hereby waives any right to or claim of) any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, the Secured Obligations or otherwise; or

(g) any other circumstances (other than the Discharge of Obligations) which might otherwise constitute a defense available to, or a legal or equitable discharge of, the Borrower or any other Loan Party, including as a result of any proceeding of the nature referred to in Section 7.1(i) of the Credit Agreement;

all whether or not the Guarantor shall have had any notice or knowledge of any act or omission referred to in the foregoing clauses (a) through (g). It is agreed that the Guarantor's liability hereunder is several and independent of any other guarantees or other obligations not arising under this Guaranty at any time in effect with respect to the Secured Obligations or any part thereof and that the Guarantor's liability hereunder may be enforced regardless of the existence, validity, enforcement or non-enforcement of any such other guarantees or other obligations not arising under this Guaranty or any provision of any Applicable Law purporting to prohibit payment by the Borrower or any other Loan Party of the Secured Obligations in the manner agreed upon by the Borrower and the Administrative Agent or any other holder of Secured Obligations. The Guarantor hereby waives any right to revoke this Guaranty as to any future transaction giving rise to any Secured Obligation.

Section 2.4 **Reinstatement, etc.** This Guaranty is a continuing and irrevocable guaranty of all Secured Obligations now or hereafter existing and shall remain in full force and effect until the Discharge of Obligations. Notwithstanding the foregoing, this Guaranty shall continue in full force and effect or be revived, as the case may be, if any payment by or on behalf of the Borrower or any other Loan Party is made, or any of the Secured Parties exercises its right of setoff, in respect of the Secured Obligations and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by any of the Secured Parties in their discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Laws or otherwise, all as if such payment had not been made or such setoff had not occurred and whether or not the Secured Parties are in possession of or have released this Guaranty and regardless of any prior revocation, rescission, termination or reduction. The obligations of the Guarantor under this Section 2.4 shall survive the termination of this Guaranty.

Section 2.5 **Waiver.** The Guarantor hereby waives, to the extent permitted under Applicable Law, presentment, protest, promptness, diligence, demand, action, delinquency, notice of acceptance and any other notice with respect to any of the Secured Obligations and this Guaranty, including but not limited to the extension or continuation of the Secured Obligations or any part thereof, and any requirement that any Secured Party protect, secure, perfect or insure any Lien on any property or exhaust any right or take any action against the Borrower, any other Loan Party or any other Person (including any other guarantor of the Secured Obligations) or any collateral securing the Secured Obligations.

Section 2.6 **Waiver of Subrogation.** The Guarantor hereby irrevocably waives to the extent permitted by Applicable Law, until the Discharge of Obligations, any claim or other rights which it may now or hereafter acquire against the Borrower or any other Loan Party that arise from the existence, payment, performance or enforcement of the Guarantor's obligations under this Guaranty or any other Loan Document, including any right of subrogation, reimbursement, exoneration or indemnification, and any right to participate in any claim or remedy of any Secured Party against the Borrower or any other Loan Party or any collateral which any Secured Party now has or hereafter acquires, whether or not such claim, remedy or right arises in equity, or under contract or Applicable Law. If any amount shall be paid to the Guarantor in violation of the preceding sentence, such amount shall be deemed to have been paid to the Guarantor for the benefit of, and held in trust for, the Secured Parties, and shall forthwith be paid to the

Administrative Agent on behalf of the Secured Parties to be credited and applied against the Secured Obligations, whether matured or unmatured. The Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Credit Agreement and that the waiver set forth in this Section 2.6 is knowingly made in contemplation of such benefits.

Section 2.7 **Payments; Payments Free of Taxes.** All payments made by the Guarantor hereunder shall be made in Dollars, in immediately available funds, without deduction, setoff or counterclaim to an account designated by the Administrative Agent from time to time and shall be free and clear of all Taxes except as provided in Section 2.17 of the Credit Agreement.

Section 2.8 **Condition of Borrower.** The Guarantor acknowledges and agrees that it has the sole responsibility for, and has adequate means of, obtaining from the Borrower and any other guarantor such information concerning the financial condition, business and operations of the Borrower and any such other guarantor as the Guarantor requires, and that none of the Secured Parties has any duty, and the Guarantor is not relying on the Secured Parties at any time, to disclose to the Guarantor any information relating to the business, operations or financial condition of the Borrower or any other guarantor (the Guarantor waiving any duty on the part of the Secured Parties to disclose such information and any defense relating to the failure to provide the same).

Section 2.9 **Keepwell.** To the extent the Guarantor is a Qualified ECP Guarantor, Grantor hereby absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by the Borrower or any other Person to honor all of its obligations under its Guaranty in respect of Swap Obligations; provided that such Qualified ECP Guarantor shall be liable under this Section 2.9 only for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 2.9, or otherwise under this Guaranty, voidable under Applicable Law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount. The obligations of such Qualified ECP Guarantor under this Section shall remain in full force and effect until the Secured Obligations have been paid and performed in full (other than unasserted contingent indemnification liabilities). Such Qualified ECP Guarantor intends this Section to constitute, and this Section shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) the Commodity Exchange Act.

ARTICLE III REPRESENTATIONS AND COVENANTS

Section 3.1 **Representations and Warranties.** The Guarantor represents and warrants to the Administrative Agent for the benefit of the Secured Parties that each of the representations and warranties made by the Borrower in respect of such Guarantor in Article III of the Credit Agreement is true with the same force and effect as if made by the Guarantor.

Section 3.2 **Covenants.** The Guarantor agrees to comply with all the applicable covenants contained in the Credit Agreement and the other Loan Documents.

**ARTICLE IV
MISCELLANEOUS**

Section 4.1 **Loan Document.** This Guaranty is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof, including Section 1.3 and Article IX thereof.

Section 4.2 **Amendments; Successors and Assigns.**

(a) No amendment to or waiver of any provision of this Guaranty nor consent to any departure by the Guarantor herefrom, shall be effective unless the same shall be in writing and signed by the Guarantor and the Administrative Agent, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given.

(b) This Guaranty shall be binding upon the Guarantor and its successors, transferees and assignees, and shall inure to the benefit of and be enforceable by the Administrative Agent and each other Secured Party and their respective successors and assigns; provided that, the Guarantor may not assign its obligations hereunder without the prior written consent of the Administrative Agent.

Section 4.3 **Addresses for Notices.** All notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail, sent by telecopy or electronic communication as follows:

(a) if to the Guarantor, to it at to it at 875 Howard Street, Suite 320, San Francisco, CA 94103, Attention: General Counsel /Chief Financial Officer / Treasurer (Telephone No. (877) 215-5230 ext. 18083/19763; E-mail: alejandro.scannapieco@globant.com with copies to matias.corvalan@globant.com and gcoffice@globant.com), with a copy to Sistemas Globales S.A., Ing. Butty 240, Laminar Tower, 9th Floor, Ciudad Autónoma de Buenos Aires, 1001, Argentina, Attention: General Counsel /Chief Financial Officer / Treasurer;

(b) if to the Administrative Agent, to HSBC Bank USA, N.A. at HSBC Bank USA, National Association, Corporate Trust and Loan Agency, 452 5th Avenue (8E6), New York, NY 10018, (Telecopy No. 917-229-6659; Telephone No. 212-525-7253, E-mail: ctlany.loanagency@us.hsbc.com);

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopy shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications, shall be effective as provided in Section 9.1(b) of the Credit Agreement. Any party hereto may change its address, telecopy number or e-mail address for notices and other communications hereunder by notice to the other party hereto.

Section 4.4 **No Waiver; Remedies.** No failure on the part of the Administrative Agent or any other Secured Party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The Administrative Agent and each other Secured Party shall have all remedies available at law or equity, including without limitation, the remedy of specific performance for any breach of any provision hereof. The remedies herein provided are cumulative and not exclusive of any remedies provided by law or equity.

Section 4.5 **Right to Setoff.** If an Event of Default shall have occurred and be continuing, each Lender, each other Secured Party and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender, such other Secured Party or any such Affiliate, to or for the credit or the account of the Guarantor against any and all of the obligations of the Guarantor now or hereafter existing under this Guaranty or any other Loan Document to such Lender, such other Secured Party or its respective Affiliates, irrespective of whether or not such Lender, such other Secured Party or such Affiliate shall have made any demand under this Guaranty or any other Loan Document and although such obligations may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender or such other Secured Party different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness.

Section 4.6 **Severability.** Any provision of this Guaranty held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 4.7 **Counterparts.** This Guaranty may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Guaranty by telecopy or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Guaranty.

Section 4.8 **Governing Law; Entire Agreement.** This Guaranty and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Guaranty and the transactions contemplated hereby shall be governed by, and construed in accordance with, the law of the State of New York, without regard to conflicts of law principals law except Title 14 of Article 5 of the New York General Obligations law. This Guaranty and the other Loan Documents represent the entire agreement among the parties relating to the subject matter hereof and thereof, and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof

Section 4.9 **WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY**

APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS GUARANTY BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 4.10 **Forum Selection and Consent to Jurisdiction**. The Guarantor irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any other Secured Party or any Related Party of the foregoing in any way relating to this Guaranty or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court for the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, in any way relating to this Guaranty or any other Loan Document or the transactions relating hereto or thereto may be heard and determined in such New York State court or, to the fullest extent permitted by Applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Applicable Law. Nothing in this Guaranty or in any other Loan Document shall affect any right that the Administrative Agent or any other Secured Party may otherwise have to bring any action or proceeding relating to this Guaranty or any other Loan Document against the Guarantor or its properties in the courts of any jurisdiction. The Guarantor irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Guaranty or any other Loan Document in any court referred to in this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 4.3. Nothing in this Guaranty or in any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

Section 4.11 **Waiver of Certain Claims**. **TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE GUARANTOR SHALL NOT ASSERT, AND HEREBY WAIVES, ANY CLAIM AGAINST ANY INDEMNITEE, AND IN NO EVENT SHALL ANY INDEMNITEE BE LIABLE, ON ANY THEORY OF LIABILITY, FOR LOSS OF PROFITS, GOODWILL, REPUTATION, BUSINESS OPPORTUNITY OR FOR INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR EXEMPLARY DAMAGES**

(AS OPPOSED TO DIRECT OR ACTUAL DAMAGES) ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF, ANY LOAN DOCUMENT OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED THEREBY, THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, ANY LOAN, OR THE USE OF THE PROCEEDS THEREOF. NO SECURED PARTY SHALL BE LIABLE FOR ANY DAMAGES ARISING FROM THE USE BY UNINTENDED RECIPIENTS OF ANY INFORMATION OR OTHER MATERIALS DISTRIBUTED BY IT THROUGH TELECOMMUNICATIONS, ELECTRONIC OR OTHER INFORMATION TRANSMISSION SYSTEMS IN CONNECTION WITH THIS GUARANTY OR THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 4.12 **No Strict Construction.** The parties hereto have participated jointly in the negotiation and drafting of this Guaranty. In the event an ambiguity or question of intent or interpretation arises, this Guaranty shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Guaranty.

Section 4.13 **Service of Process.** The Guarantor hereby irrevocably consents to service of process in the manner provided for notices in Section 4.3. Nothing in this Guaranty will affect the right of any party hereto to serve process in any other manner permitted by applicable laws. The Guarantor hereby irrevocably appoints Globant, LLC (the "Process Agent"), with an office on the Effective Date at 650 Fifth Ave, Suite 1001, New York, NY 10019, as its agent and true and lawful attorney-in-fact in its name, place and stead to receive and forward on its behalf service of copies of the summons and complaint and any other process that may be served in any such suit, action or proceeding brought in the State of New York relating to this Guaranty or any other Loan Document, and the failure of the Process Agent to give any notice of any such service of process to it shall not impair or affect the validity of such service or, to the extent permitted by applicable law, the enforcement of any judgment based thereon. Such appointment shall be irrevocable, except that if for any reason the Process Agent appointed hereby ceases to be able to act as such, then the Guarantor shall, by an instrument reasonably satisfactory to the Administrative Agent, appoint another Person in the Borough of Manhattan as the Process Agent subject to the approval (which approval shall not be unreasonably withheld) of the Administrative Agent. The Guarantor shall take any and all reasonable action, including the execution and filing of any and all documents, that may be necessary to continue the designation of the Process Agent pursuant to this Section 4.13 in full force and effect and to cause the Process Agent to act as such.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be duly executed and delivered by its officer thereunto duly authorized as of the date and year first above written.

GLOBANT S.A.

By: /s/ Martin Migoya

Name: Martin Migoya

Title: Chairman of the Board of Directors

Signature Page to Guaranty

Acknowledged and Accepted:

HSBC Bank USA, N.A.,
as Administrative Agent

By: /s/ Vanessa Printz

Name: Vanessa Printz
Title: Senior Vice President 19402
Commercial Banking
HSBCBank USA, N.A.

Signature Page to Guaranty

GUARANTY

GUARANTY, dated as of August 3, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time, this "**Guaranty**"), made by Globant, S.A., a sole-shareholder ship company, with domicile in Madrid, Spain, Calle Velazquez n° 157, 5 C and Tax number A-64017445 (the "**Guarantor**"), in favor of HSBC Bank USA, N.A., as administrative agent (in such capacity, the "**Administrative Agent**" and, together with the Guarantor, the "**Parties**") for each of the Secured Parties.

WITNESSETH:

WHEREAS, pursuant to the Credit Agreement, dated as of the date hereof (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among Globant, LLC (the "**Borrower**"), the Lenders party thereto and the Administrative Agent, the Lenders have agreed to make extensions of credit and other financial accommodations to the Borrower, subject to the terms and conditions thereof;

WHEREAS, as a condition precedent to the making of the initial extensions of credit and the other financial accommodations to the Borrower under the Credit Agreement, the Guarantor is required to execute and deliver this Guaranty; and

WHEREAS, the Guarantor has duly authorized the execution, delivery and performance of this Guaranty and will receive direct and indirect benefits by reason of the extensions of credit and the other financial accommodations made from time to time to the Borrower by the Lenders;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor hereby agrees with the Administrative Agent, for its benefit and the benefit of each other Secured Party, as follows:

**ARTICLE I
DEFINITIONS**

Section 1.1 **Certain Terms**. The following terms (whether or not underscored) when used in this Guaranty (including its preamble and recitals) shall have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

"**Administrative Agent**" has the meaning set forth in the preamble.

"**Borrower**" has the meaning set forth in the first recital.

"**Credit Agreement**" has the meaning set forth in the first recital.

"**Discharge of Obligations**" has the meaning set forth in Section 2.3.

"**Guarantor**" has the meaning set forth in the preamble.

"**Guaranty**" has the meaning set forth in the preamble.

“**Qualified ECP Guarantor**” means, in respect of any Swap Obligation, each Loan Party that has total assets exceeding \$10,000,000 at the time the relevant Guaranty or grant of the relevant security interest becomes or would become effective with respect to such Swap Obligation or such other person as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“**Spanish Civil Code**” means the Spanish Royal Decree of 24 July 1889 approving the Spanish Civil Code (*Real Decreto de 24 de julio de 1889 por el que se publica el Código Civil*), as amended from time to time.

“**Spanish Civil Procedural Law**” means the Spanish Act 1/2000, of 7 January, on Civil Procedure (*Ley 1/2000, de 7 de enero, de Enjuiciamiento Civil*), as amended from time to time.

Section 1.2 **Credit Agreement Definitions.** Unless otherwise defined herein or the context otherwise requires, capitalized terms used in this Guaranty, including its preamble and recitals, have the meanings provided in the Credit Agreement.

ARTICLE II GUARANTY

Section 2.1 **Guaranty.** The Guarantor hereby unconditionally, absolutely and irrevocably guarantees as primary obligor and not merely as surety to the Administrative Agent for the benefit of the Secured Parties, the full and prompt payment and performance when due, whether at stated maturity, by acceleration or otherwise (including, without limitation, all amounts which would have become due but for the operation of the automatic stay under Section 362(a) of the United States Bankruptcy Code, 11 U.S.C. 362(a)) of the Secured Obligations.

This Guaranty constitutes a guaranty of payment when due and not merely of collection and shall apply to all Secured Obligations whenever arising. The Guarantor hereby specifically and unconditionally agrees that it shall not be necessary or required that any Secured Party exercise any right, assert any claim or demand or enforce any remedy whatsoever against the Borrower, any other Loan Party or any Collateral before or as a condition to the obligations of the Guarantor hereunder. Notwithstanding any term or provision of this Guaranty to the contrary, (a) the aggregate maximum amount of the Secured Obligations for which the Guarantor shall be liable under this Guaranty shall not exceed the maximum amount for which the Guarantor can be liable without rendering this Guaranty or any other Loan Document, as it relates to the Guarantor, void or voidable under Applicable Law relating to fraudulent conveyance or fraudulent transfer; and (b) the Secured Obligations, as to the Guarantor, shall not include any Excluded Swap Obligations.

The Parties agree, in general, that nothing in this Guaranty must be construed so that this Guaranty would constitute a *fianza* pursuant to article 1,822 et seq. of the Spanish Civil Code and that nothing in this Guaranty will affect their intention to grant an independent and abstract Guaranty and not a *fianza* pursuant to article 1,822 et seq. of the Spanish Civil Code.

Consequently, the Parties agree that, nothing in this Guaranty must be construed so that the benefits of division (*división*), preference (*excusión*) and order (*orden*) provided in articles 1,830 et seq. of the Spanish Civil Code will apply and which will be, in any event, excluded.

Section 2.2 **Acceleration of Guaranty.** The Guarantor agrees that, if any Event of Default under clause (h) or (i) of Section 7.1 of the Credit Agreement shall occur or the Loans are declared due and payable, the Guarantor will, automatically and without the requirement that any demand for payment be made, pay to the Administrative Agent for the account of the Secured Parties forthwith the full amount of the Secured Obligations that are then due and payable and for purposes of this Guaranty, notwithstanding any stay, injunction or other prohibition (whether in a bankruptcy proceeding affecting the Borrower or otherwise) preventing such declaration as against the Borrower and that, in the event of such declaration or automatic acceleration, such obligations (whether or not due and payable by the Borrower) shall forthwith become due and payable by the Guarantor for purposes of this Guaranty.

Section 2.3 **Guaranty Absolute.** This Guaranty is a continuing, absolute, unconditional and irrevocable guaranty of payment and shall remain in full force and effect until (i) all the Secured Obligations under the Loan Documents (other than unasserted contingent indemnification obligations) have been paid in full in cash and (ii) all Commitments shall have expired or irrevocably terminated (the occurrence of clauses (i) and (ii), the “Discharge of Obligations”). The Guarantor guarantees that the Secured Obligations will be paid strictly in accordance with the terms of the agreement under which they arise, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of any Secured Party with respect thereto. The liability of the Guarantor under this Guaranty and the validity and enforceability of this Guaranty, shall be absolute and unconditional irrespective of, and shall not be impaired or affected by any of the following:

- (a) any lack of validity, legality or enforceability of any Loan Document or any other agreement or instrument relating to any thereof;
- (b) the failure of any Secured Party:

- (i) to assert any claim or demand or to enforce any right or remedy against the Borrower, any other Loan Party or any other Person (including any other guarantor) under the provisions of any Loan Document or otherwise, or

- (ii) to exercise any right or remedy against any other guarantor of, or collateral securing, any of the Secured Obligations;

- (c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any compromise, renewal, extension, acceleration or release with respect thereto, or any other amendment or waiver of or any consent to departure from any Loan Document;

- (d) any addition, exchange, release, impairment or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Secured Obligations;

(e) any defense, setoff or counterclaim which may at any time be available to or be asserted by the Borrower or any other Loan Party against any Secured Party;

(f) any reduction, limitation, impairment or termination of the Secured Obligations for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to (and the Guarantor hereby waives any right to or claim of) any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, the Secured Obligations or otherwise; or

(g) any other circumstances (other than the Discharge of Obligations) which might otherwise constitute a defense available to, or a legal or equitable discharge of, the Borrower or any other Loan Party, including as a result of any proceeding of the nature referred to in Section 7.1(i) of the Credit Agreement;

all whether or not the Guarantor shall have had any notice or knowledge of any act or omission referred to in the foregoing clauses (a) through (g). It is agreed that the Guarantor's liability hereunder is several and independent of any other guarantees or other obligations not arising under this Guaranty at any time in effect with respect to the Secured Obligations or any part thereof and that the Guarantor's liability hereunder may be enforced regardless of the existence, validity, enforcement or non-enforcement of any such other guarantees or other obligations not arising under this Guaranty or any provision of any Applicable Law purporting to prohibit payment by the Borrower or any other Loan Party of the Secured Obligations in the manner agreed upon by the Borrower and the Administrative Agent or any other holder of Secured Obligations. The Guarantor hereby waives any right to revoke this Guaranty as to any future transaction giving rise to any Secured Obligation.

Section 2.4 Reinstatement, etc. This Guaranty is a continuing and irrevocable guaranty of all Secured Obligations now or hereafter existing and shall remain in full force and effect until the Discharge of Obligations. Notwithstanding the foregoing, this Guaranty shall continue in full force and effect or be revived, as the case may be, if any payment by or on behalf of the Borrower or any other Loan Party is made, or any of the Secured Parties exercises its right of setoff, in respect of the Secured Obligations and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by any of the Secured Parties in their discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Laws or otherwise, all as if such payment had not been made or such setoff had not occurred and whether or not the Secured Parties are in possession of or have released this Guaranty and regardless of any prior revocation, rescission, termination or reduction. The obligations of the Guarantor under this Section 2.4 shall survive the termination of this Guaranty.

Section 2.5 Waiver. The Guarantor hereby waives, to the extent permitted under Applicable Law, presentment, protest, promptness, diligence, demand, action, delinquency, notice of acceptance and any other notice with respect to any of the Secured Obligations and this Guaranty, including but not limited to the extension or continuation of the Secured Obligations or any part thereof, and any requirement that any Secured Party protect, secure, perfect or insure

any Lien on any property or exhaust any right or take any action against the Borrower, any other Loan Party or any other Person (including any other guarantor of the Secured Obligations) or any collateral securing the Secured Obligations.

Section 2.6 **Waiver of Subrogation.** The Guarantor hereby irrevocably waives to the extent permitted by Applicable Law, until the Discharge of Obligations, any claim or other rights which it may now or hereafter acquire against the Borrower or any other Loan Party that arise from the existence, payment, performance or enforcement of the Guarantor's obligations under this Guaranty or any other Loan Document, including any right of subrogation, reimbursement, exoneration or indemnification, and any right to participate in any claim or remedy of any Secured Party against the Borrower or any other Loan Party or any collateral which any Secured Party now has or hereafter acquires, whether or not such claim, remedy or right arises in equity, or under contract or Applicable Law. If any amount shall be paid to the Guarantor in violation of the preceding sentence, such amount shall be deemed to have been paid to the Guarantor for the benefit of, and held in trust for, the Secured Parties, and shall forthwith be paid to the Administrative Agent on behalf of the Secured Parties to be credited and applied against the Secured Obligations, whether matured or unmatured. The Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Credit Agreement and that the waiver set forth in this Section 2.6 is knowingly made in contemplation of such benefits.

Section 2.7 **Payments; Payments Free of Taxes.** All payments made by the Guarantor hereunder shall be made in Dollars, in immediately available funds, without deduction, setoff or counterclaim to an account designated by the Administrative Agent from time to time and shall be free and clear of all Taxes except as provided in Section 2.17 of the Credit Agreement.

Section 2.8 **Condition of Borrower.** The Guarantor acknowledges and agrees that it has the sole responsibility for, and has adequate means of, obtaining from the Borrower and any other guarantor such information concerning the financial condition, business and operations of the Borrower and any such other guarantor as the Guarantor requires, and that none of the Secured Parties has any duty, and the Guarantor is not relying on the Secured Parties at any time, to disclose to the Guarantor any information relating to the business, operations or financial condition of the Borrower or any other guarantor (the Guarantor waiving any duty on the part of the Secured Parties to disclose such information and any defense relating to the failure to provide the same).

Section 2.9 **Keepwell.** To the extent the Guarantor is a Qualified ECP Guarantor, Grantor hereby absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by the Borrower or any other Person to honor all of its obligations under its Guaranty in respect of Swap Obligations; provided that such Qualified ECP Guarantor shall be liable under this Section 2.9 only for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 2.9, or otherwise under this Guaranty, voidable under Applicable Law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount. The obligations of such Qualified ECP Guarantor under this Section shall remain in full force and effect until the Secured Obligations have been paid and performed in full (other than unasserted contingent

indemnification liabilities). Such Qualified ECP Guarantor intends this Section to constitute, and this Section shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) the Commodity Exchange Act.

ARTICLE III REPRESENTATIONS AND COVENANTS

Section 3.1 **Representations and Warranties.** The Guarantor represents and warrants to the Administrative Agent for the benefit of the Secured Parties that each of the representations and warranties made by the Borrower in respect of such Guarantor in Article III of the Credit Agreement is true with the same force and effect as if made by the Guarantor.

Section 3.2 **Covenants.** The Guarantor agrees to comply with all the applicable covenants contained in the Credit Agreement and the other Loan Documents.

ARTICLE IV MISCELLANEOUS

Section 4.1 **Loan Document.** This Guaranty is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof, including Section 1.3 and Article IX thereof.

Section 4.2 **Amendments; Successors and Assigns.**

(a) No amendment to or waiver of any provision of this Guaranty nor consent to any departure by the Guarantor herefrom, shall be effective unless the same shall be in writing and signed by the Guarantor and the Administrative Agent, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given.

(b) This Guaranty shall be binding upon the Guarantor and its successors, transferees and assignees, and shall inure to the benefit of and be enforceable by the Administrative Agent and each other Secured Party and their respective successors and assigns; provided that, the Guarantor may not assign its obligations hereunder without the prior written consent of the Administrative Agent.

Section 4.3 **Addresses for Notices.** All notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail, sent by telecopy or electronic communication as follows:

(a) if to the Guarantor, to it at to it at 875 Howard Street, Suite 320, San Francisco, CA 94103, Attention: General Counsel /Chief Financial Officer / Treasurer (Telephone No. (877) 215-5230 ext. 18083/19763; E-mail: alejandro.scannapieco@globant.com with copies to matias.corvalan@globant.com and gcoffice@globant.com), with a copy to Sistemas Globales S.A., Ing. Butty 240, Laminar Tower, 9th Floor, Ciudad Autónoma de Buenos Aires, 1001, Argentina, Attention: General Counsel /Chief Financial Officer / Treasurer;

(b) if to the Administrative Agent, to HSBC Bank USA, N.A. at HSBC Bank USA, National Association, Corporate Trust and Loan Agency, 452 5th Avenue (8E6), New York, NY 10018, (Telecopy No. 917-229-6659; Telephone No. 212-525-7253, E-mail: ctlaney.loanagency@us.hsbc.com);

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopy shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications, shall be effective as provided in Section 9.1(b) of the Credit Agreement. Any party hereto may change its address, telecopy number or e-mail address for notices and other communications hereunder by notice to the other party hereto.

Section 4.4 **No Waiver; Remedies.** No failure on the part of the Administrative Agent or any other Secured Party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The Administrative Agent and each other Secured Party shall have all remedies available at law or equity, including without limitation, the remedy of specific performance for any breach of any provision hereof. The remedies herein provided are cumulative and not exclusive of any remedies provided by law or equity.

Section 4.5 **Right to Setoff.** If an Event of Default shall have occurred and be continuing, each Lender, each other Secured Party and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender, such other Secured Party or any such Affiliate, to or for the credit or the account of the Guarantor against any and all of the obligations of the Guarantor now or hereafter existing under this Guaranty or any other Loan Document to such Lender, such other Secured Party or its respective Affiliates, irrespective of whether or not such Lender, such other Secured Party or such Affiliate shall have made any demand under this Guaranty or any other Loan Document and although such obligations may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender or such other Secured Party different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness.

Section 4.6 **Severability.** Any provision of this Guaranty held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 4.7 **Counterparts.** This Guaranty may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed

counterpart of a signature page of this Guaranty by telecopy or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Guaranty.

Section 4.8 **Governing Law; Entire Agreement.** This Guaranty and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Guaranty and the transactions contemplated hereby shall be governed by, and construed in accordance with, the law of the State of New York, without regard to conflicts of law principals law except Title 14 of Article 5 of the New York General Obligations law. This Guaranty and the other Loan Documents represent the entire agreement among the parties relating to the subject matter hereof and thereof, and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof

Section 4.9 **WAIVER OF JURY TRIAL.** EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS GUARANTY BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 4.10 **Forum Selection and Consent to Jurisdiction.** The Guarantor irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any other Secured Party or any Related Party of the foregoing in any way relating to this Guaranty or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court for the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, in any way relating to this Guaranty or any other Loan Document or the transactions relating hereto or thereto may be heard and determined in such New York State court or, to the fullest extent permitted by Applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Applicable Law. Nothing in this Guaranty or in any other Loan Document shall affect any right that the Administrative Agent or any other Secured Party may otherwise have to bring any action or proceeding relating to this Guaranty or any other Loan Document against the Guarantor or its properties in the courts of any jurisdiction. The Guarantor irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding

arising out of or relating to this Guaranty or any other Loan Document in any court referred to in this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 4.3. Nothing in this Guaranty or in any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

Section 4.11 **Waiver of Certain Claims.** TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE GUARANTOR SHALL NOT ASSERT, AND HEREBY WAIVES, ANY CLAIM AGAINST ANY INDEMNITEE, AND IN NO EVENT SHALL ANY INDEMNITEE BE LIABLE, ON ANY THEORY OF LIABILITY, FOR LOSS OF PROFITS, GOODWILL, REPUTATION, BUSINESS OPPORTUNITY OR FOR INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR EXEMPLARY DAMAGES (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES) ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF, ANY LOAN DOCUMENT OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED THEREBY, THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, ANY LOAN, OR THE USE OF THE PROCEEDS THEREOF. NO SECURED PARTY SHALL BE LIABLE FOR ANY DAMAGES ARISING FROM THE USE BY UNINTENDED RECIPIENTS OF ANY INFORMATION OR OTHER MATERIALS DISTRIBUTED BY IT THROUGH TELECOMMUNICATIONS, ELECTRONIC OR OTHER INFORMATION TRANSMISSION SYSTEMS IN CONNECTION WITH THIS GUARANTY OR THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 4.12 **No Strict Construction.** The parties hereto have participated jointly in the negotiation and drafting of this Guaranty. In the event an ambiguity or question of intent or interpretation arises, this Guaranty shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Guaranty.

Section 4.13 **Executive proceedings.**

(a) Upon enforcement, the sum payable by the Guarantor shall be the aggregate amount of the balance of the accounts maintained by the Administrative Agent (or the relevant Lender, as the case may be) pursuant to Section 5.10 (*Deposit Accounts*) of the Credit Agreement. For the purposes of Articles 571 et seq. of the Spanish Civil Procedural Law, the Parties agree that such balances shall be considered as due, liquid and payable and may be claimed pursuant to that law.

(b) For the purposes of the provisions of Art. 571 et seq. of the Spanish Civil Procedural Law, the Parties agree that the amount of the debt to be claimed through executive proceedings shall be determined by the Administrative Agent (or a Lender, as the case may be) in a certificate evidencing the balances shown in the relevant account(s) referred to in paragraph (a) above. For the Administrative Agent or a Lender to exercise executive action it must present:

(i) an original notarial first or authentic copy of this Agreement;

(ii) the notarial document (*acta notarial*) which:

A. incorporates (i) the certificate of amounts due by the Guarantor issued by the Administrative Agent (or the relevant Lender, as the case may be) and (ii) an excerpt of the credits and debits, including the interest applied, which appears in the relevant account(s) referred to in paragraph (a) above; and

B. evidences that the amounts due and payable by the Guarantor have been calculated in accordance with the Credit Agreement attached hereto as **Schedule 1** and that such amounts match the balance of the accounts, and

(iii) a notarial document (*acta notarial*) or a confirmatory fax (*burofax*) evidencing that the Guarantor has been served notice for the amount that is due and payable.

(c) Paragraph (b) above is also applicable to any Lender with regard to its Commitment. Such Lender may issue the appropriate certification of the balances of the relevant account(s) referred to in paragraph (a) above and the certification of the balances of such accounts may be legalised by a notary.

(d) The amount of the balances determined in accordance with this Section shall be notified to the relevant Guarantor in an attestable manner at least ten (10) days in advance of exercising any executive action.

(e) The Guarantor hereby authorises the Administrative Agent (and each Lender, as appropriate) to request and obtain certificates and documents issued by the notary which has formalised this Guaranty in order to evidence its compliance with the entries of his registry-book and the relevant entry date for the purpose of number 4 of Article 517, of the Spanish Civil Procedural Law. The cost of such certificate and documents will be for the account of the Guarantor.

(f) This Guaranty (together with its **Schedule 1**) shall be notarised by the Guarantor for the purposes contemplated in Article 517 et seq. of the Spanish Civil Procedural Law and other related provisions promptly upon the request of the Administrative Agent.

Section 4.14 **Service of Process.** The Guarantor hereby irrevocably consents to service of process in the manner provided for notices in Section 4.3. Nothing in this Guaranty will affect the right of any party hereto to serve process in any other manner permitted by applicable laws. The Guarantor hereby irrevocably appoints Globant, LLC (the "Process Agent"), with an office on the Effective Date at 650 Fifth Ave, Suite 1001, New York, NY 10019, as its agent and true and lawful attorney-in-fact in its name, place and stead to receive and forward on its behalf service of copies of the summons and complaint and any other process that may be served in any

such suit, action or proceeding brought in the State of New York relating to this Guaranty or any other Loan Document, and the failure of the Process Agent to give any notice of any such service of process to it shall not impair or affect the validity of such service or, to the extent permitted by applicable law, the enforcement of any judgment based thereon. Such appointment shall be irrevocable, except that if for any reason the Process Agent appointed hereby ceases to be able to act as such, then the Guarantor shall, by an instrument reasonably satisfactory to the Administrative Agent, appoint another Person in the Borough of Manhattan as the Process Agent subject to the approval (which approval shall not be unreasonably withheld) of the Administrative Agent. The Guarantor shall take any and all reasonable action, including the execution and filing of any and all documents, that may be necessary to continue the designation of the Process Agent pursuant to this Section 4.14 in full force and effect and to cause the Process Agent to act as such.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be duly executed and delivered by its officer thereunto duly authorized as of the date and year first above written.

GLOBANT S.A.

By: /s/ Guibert Andrés Englebienne

Name: Guibert Andrés Englebienne

Title: Director

Signature Page to Guaranty

Acknowledged and Accepted:

HSBC Bank USA, N.A.,
as Administrative Agent

By: /s/ Vanessa Printz

Name: Vanessa Printz
Title: Senior Vice President 19402
Commercial Banking
HSBCBank USA, N.A.

Signature Page to Guaranty

Schedule 1
Credit Agreement

CREDIT AGREEMENT

dated as of

August 3, 2017

among

GLOBANT, LLC,
as Borrower

CERTAIN FINANCIAL INSTITUTIONS,
as Lenders,

and

HSBC BANK USA, N.A.,
as Administrative Agent

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EXHIBITS:

- Exhibit A-1 - Form of Revolving Note
- Exhibit B - Form of Assignment and Assumption
- Exhibit C - Form of Security Agreement
- Exhibit D-1 - Form of U.S. Tax Compliance Certificate (For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)
- Exhibit D-2 - Form of U.S. Tax Compliance Certificate (For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)
- Exhibit D-3 - Form of U.S. Tax Compliance Certificate (For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)
- Exhibit D-4 - Form of U.S. Tax Compliance Certificate (For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)
- Exhibit E - Form of Borrowing Request
- Exhibit F - Form of Interest Election Request
- Exhibit G - Form of Compliance Certificate

CREDIT AGREEMENT dated as of August 3, 2017, among GLOBANT, LLC, a Delaware limited liability company (the “Borrower”), the Lenders (as defined hereinafter) that are from time to time parties hereto, and HSBC BANK USA, N.A. (“HSBC”), as Administrative Agent (in such capacity, the “Administrative Agent”).

The Borrower has requested that the Lenders provide a revolving credit facility, and the Lenders have indicated their willingness to make such facility available to the Borrower on the terms and subject to the conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I

Definitions

Section 1.1 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“Accounts” means all present and future rights of the Borrower to payment of a monetary obligation, whether or not earned by performance, which is not evidenced by chattel paper or and instrument, (a) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (b) for services rendered or to be rendered, (c) for a secondary obligation incurred or to be incurred, or (d) arising out of the use of a credit, charge or debit card along with all information contained on or for use with such card; provided, that “Accounts” shall not include any of the foregoing that have not been invoiced.

“Acquisition” means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of all or substantially all of any business or division of a Person, (b) the acquisition of more than 50% of the Equity Interests of any Person, or otherwise causing any Person to become a Subsidiary or (c) a merger or consolidation or any other combination with another Person (other than a Person that is already a Subsidiary).

“Administrative Agent” has the meaning specified in the preamble and includes any successor administrative agent appointed under Article VIII.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affiliate” means, with respect to a specified Person, another Person that directly or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agent Parties” has the meaning specified in Section 9.1(d)(ii).

“Aggregate Credit Exposure” means, at any time, the aggregate Total Credit Exposure of all of the Lenders.

“Agreement” means this Credit Agreement.

“Alternate Base Rate” means, for any day, a rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to the greatest of (a) the Prime Rate, (b) 1/2 of one percent above the Federal Funds Effective Rate, (c) the LIBO Rate for a Eurodollar Loan with a one-month Interest Period commencing on such day plus 1% and (d) 0%.

“Anti-Money Laundering Laws” means the PATRIOT Act; the U.S. Money Laundering Control Act of 1986 and the regulations and rules promulgated thereunder, as amended from time to time; the U.S. Bank Secrecy Act and the regulations and rules promulgated thereunder, as amended from time to time; and corresponding laws of (a) the European Union designed to combat money laundering and terrorist financing and (b) jurisdictions in which the Borrower operates or in which the proceeds of the Loans will be used or from which repayments of the Obligations will be derived.

“Applicable Law” means, with respect to any Person, (x) all provisions of law, statute, treaty, ordinance, rule, regulation, requirement, restriction, permit, certificate, decision, directive or order of any Governmental Authority applicable to such Person or any of its property and (y) all judgments, injunctions, orders, writs and decrees of all courts and arbitrators in proceedings or actions in which such Person is a party or by which any of its property is bound.

“Applicable Percentage” means, with respect to any Lender at any time, subject to reallocation with respect to a Defaulting Lender pursuant to Section 2.21:

(a) with respect to Commitments and Loans, a percentage equal to a fraction, the numerator of which is such Lender’s Commitment and the denominator of which is the aggregate Commitments of all Lenders (provided that, if the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon such Lender’s share of the aggregate Credit Exposures at that time); and

(b) with respect to the Aggregate Credit Exposure, a percentage equal to a fraction, the numerator of which is the sum of such Lender’s Total Credit Exposure, and the denominator of which is the sum of the Aggregate Credit Exposure of all Lenders.

“Applicable Rate” means, for any day, with respect to any Base Rate Loan or Eurodollar Loan, as the case may be, (i) 0.75% per annum, for Base Rate Loans, and (ii) 1.75% per annum for Eurodollar Loans.

“Approved Fund” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 9.4), and accepted by the Administrative Agent, in substantially the form of Exhibit B or any other form approved by the Administrative Agent.

“Availability Period” means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“Bail-In Legislation” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“Base Rate” when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

“Borrower” has the meaning specified in the preamble.

“Borrower Materials” is defined in Section 9.1(d)(i).

“Borrowing” means Loans of the same Type made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

“Borrowing Request” means a request by the Borrower for a Borrowing in accordance with Section 2.3, which shall be substantially in the form of Exhibit E.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in Dollar deposits in the London interbank market.

“Capital Expenditures” means all expenditures which, in accordance with IFRS, would be required to be capitalized and shown on the consolidated balance sheet of the Borrower, including Capital Lease Obligations, but excluding (a) expenditures made in connection with the replacement, substitution or restoration of assets to the extent financed (i) from insurance proceeds (or other similar recoveries) paid on account of the loss of or damage to the assets being replaced or restored or (ii) with awards of compensation arising from the taking by eminent domain or condemnation of the assets being replaced, and (b) expenditures attributable to intangibles to the extent included in “Intangible Assets” on the consolidated balance sheet of the Borrower.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under IFRS, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with IFRS.

“Cash Equivalent Investments” means:

- (a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States), in each case maturing within one year from the date of acquisition thereof;
- (b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody’s;
- (c) investments in certificates of deposit, banker’s acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States or any state thereof that has a combined capital and surplus and undivided profits of not less than \$500,000,000;
- (d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above;
- (e) shares of money market mutual or similar fund that (i) invests exclusively in assets satisfying the requirements of clauses (a) through (c) of this definition, (ii) has net assets of not less than \$5,000,000,000, and (iii) is rated AAA by S&P and Aaa by Moody’s;
- (f) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA by S&P and Aaa by Moody’s and (iii) have portfolio assets of at least \$5,000,000,000;
- (g) deposit accounts maintained with (i) any commercial bank satisfying the requirements of clause (c) of this definition or (ii) any other commercial bank organized under the laws of the United States or any state thereof so long as the full amount maintained with any such other bank is insured by the Federal Deposit Insurance Corporation;
- (h) securities with maturities of one year or less from the date of acquisition issued or fully and unconditionally guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A by Moody’s;
- (i) (i) certificates of deposit or bankers’ acceptances or time deposits maturing within 180 days from the date of acquisition thereof, in each case payable in Dollars or in the local currency where such funds are maintained and issued by any bank organized under the laws of any country which is organized and existing under the laws of the country in which such Person is organized or doing business and having at the date of acquisition thereof combined capital and surplus of not less than \$500,000,000 (calculated at the then applicable

exchange rate) and (ii) deposit accounts or local equivalents maintained with any bank that satisfies the criteria described in clause (i) above; and

(j) other short-term investments utilized by any Loan Party, Foreign Subsidiary or other Subsidiary operating outside the United States in accordance with normal investment practices for cash management in investments of a type analogous to the foregoing.

“CFC” means a controlled foreign corporation (as that term is defined in Section 957(a) of the IRC).

“Change in Control” means an event or a series of events by which (a) a Loan Party shall cease to own and control, of record and beneficially, directly or indirectly, 100% of the aggregate issued and outstanding Equity Interests of the Borrower having ordinary voting power on a fully diluted basis (which for this purpose shall exclude all Equity Interests that have not yet vested); (b) a Loan Party shall cease to have the ability to elect (either through share ownership or contractual voting rights) a majority of the board of directors or equivalent governing body of the Borrower; or (c) a majority of the Board of Directors of Globant S.A. (Luxembourg) are not Continuing Directors.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Collateral” means any property of any Loan Party upon which a security interest in favor of the Administrative Agent for the benefit of the Secured Parties is purported to be granted pursuant to any Security Document; provided, that only 65% of the total outstanding voting Equity Interests of any first tier Subsidiary of a Loan Party that is a CFC (and none of the Equity Interests of any Subsidiary of such CFC) shall be Collateral.

“Commitment” means, with respect to each Lender, the commitment of such Lender to make Loans, expressed as an amount representing the maximum aggregate amount of such Lender’s Credit Exposure hereunder, as such commitment may be reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.4. The initial amount of each Lender’s Commitment is set forth on Schedule 2.1, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable. The initial aggregate amount of the Lenders’ Commitments is \$40,000,000.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Communications” has the meaning specified in Section 9.1(d)(ii).

“Compliance Certificate” means a certificate substantially in the form of Exhibit G.

“Computation Period” means, as of any date of calculation, the immediately preceding four consecutive fiscal quarters.

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated” means, when used with reference to financial statements or financial statement items of Globant S.A. (Luxembourg) and its Subsidiaries or any other Person, such statements or items on a consolidated basis in accordance with the consolidation principles of IFRS.

“Consolidated EBITDA” means, for any period, the sum of the following determined on a Consolidated basis, without duplication, for Globant S.A. (Luxembourg) and its Subsidiaries in accordance with IFRS, Consolidated Net Income for the most recently completed Computation Period plus, to the extent deducted in determining such Consolidated Net Income, (i) Consolidated Interest Expense, (ii) income tax expense, (iii) depreciation and amortization, (iv) non-cash management compensation expenses for such Period, (v) reasonable and documented Transaction Costs, (vi) actual restructuring costs and integration costs in connection with any Acquisition, in each case to the extent paid or made within twelve (12) months of the closing of such Acquisition, (vii) to the extent not duplicative of any other expense or charge otherwise added back to Consolidated EBITDA, pro forma “run rate” cost savings and operating expense reductions to be realized as a result of Acquisitions that are reasonably identifiable, factually supportable and projected by the Borrower in good faith to result from actions that have been taken or with respect to which substantial steps have been taken or are expected to be taken (in the good faith determination of the Borrower) within twelve (12) months after any such Acquisition, net the amount of actual benefits realized during such period from such actions, provided, that the aggregate amount of any such Transaction Costs, restructuring and integration costs, “run rate” cost savings and operating expense reductions added back to the definition of Consolidated EBITDA under clauses (v) through (vii) of this definition during any fiscal quarter, shall not exceed 10% of Consolidated EBITDA for such fiscal quarter, (viii) mark-to-market losses with respect to Hedging Agreements and (ix) any loss incurred in connection with any sale or other disposition outside the ordinary course of business, minus, to the extent included in determining Consolidated Net Income (a) mark-to-market gains with respect to Hedging Agreements and (b) any gain incurred in connection with any sale or other disposition outside the ordinary course of business.

“Consolidated Interest Expense” means, for any Computation Period, the sum of (a) all interest, premium payments, debt discount, fees, charges and related expenses in

connection with borrowed money (including capitalized interest) or in connection with the deferred purchase prices of assets, in each case to the extent treated as interest in accordance with IFRS, (b) all interest paid or payable with respect to discontinued operations and (c) the portion of rent expense under Capital Lease Obligations that are treated as interest in accordance with IFRS, in each case of or by Global S.A and its Subsidiaries on a Consolidated basis for the relevant period.

“Consolidated Net Income” means, as of any date of determination, the net income (or loss) of Globant S.A. (Luxembourg) and its Subsidiaries on a Consolidated Basis for the most recently completed Computation Period; provided that, Consolidated Net Income shall exclude (a) extraordinary gains and extraordinary losses for such Computation Period, (b) the income of any Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary of that income is not at the time permitted by operation of Applicable Law or the terms of its organizational documents or any agreement or instrument applicable to such Subsidiary, (c) the income or loss of any Person accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with Globant S.A. (Luxembourg) or any Subsidiary or the date that such Person’s assets are acquired by Globant S.A. (Luxembourg) or any Subsidiary, to the extent that such income or loss is not attributable to Globant S.A. (Luxembourg) or any Subsidiary and (d) the income of any Person in which any other Person (other than Globant S.A. (Luxembourg) or a Wholly Owned Subsidiary or any director holding qualifying shares in accordance with Applicable Law) has a joint interest, except to the extent of the amount of dividends or other distributions actually paid to Globant S.A. (Luxembourg) or a Wholly Owned Subsidiary by such Person during such Computation Period.

“Consolidated Net Revenue” means, as of any date of determination, the net revenue of Globant S.A. (Luxembourg) and its Subsidiaries on a Consolidated basis for the most recently completed Computation Period.

“Consolidated Total Debt” means, as of any date of determination, all Indebtedness of the Globant S.A. (Luxembourg) and its Subsidiaries determined on a Consolidated basis (including any Indebtedness (contingent or otherwise) incurred in connection with an Acquisition permitted hereunder) and, subject to the foregoing, excluding (a) contingent obligations in respect of Guarantees (except to the extent constituting Guarantees in respect of Indebtedness of a Person other than any Loan Party), (b) obligations in respect of one or more Hedging Agreements, and (c) contingent obligations in respect of undrawn letters of credit.

“Continuing Directors” means, as of an date of determination, any director or manager (or their equivalent) of Globant S.A. (Luxembourg): (a) who was a director or manager (or their equivalent) on the Effective Date; or (b) whose nomination for election to serve as director or manager (or its equivalent) of Globant S.A. (Luxembourg) is recommended by a majority of the then Continuing Directors who at the time of such nomination are members of the Corporate Governance and Nominating Committee of Globant S.A. (Luxembourg), or is otherwise elected to the board of directors or managers (or their equivalent) with the approval of a majority of the then Continuing Directors at the time of such election.

“Contractual Currency” has the meaning set forth in Section 9.16.

“Contractual Obligation” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Credit Exposure” means, as to any Lender at any time, the aggregate principal amount at such time of its outstanding Loans.

“Debtor Relief Laws” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

“Default” means any event or condition that constitutes an Event of Default or that with notice, lapse of time or both would become an Event of Default.

“Defaulting Lender” means, subject to Section 2.21(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified the Borrower or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that, such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (iii) become the subject of a Bail-in Action; provided that, a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within

the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.21(b)) upon delivery of written notice of such determination to the Borrower and each Lender.

“Disclosed Matters” means the actions, suits, litigation, investigations and proceedings and the environmental matters disclosed in Schedule 3.6.

“Disposition,” with respect to any property, means any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms “Dispose” and “Disposed of” have meanings correlative thereto.

“Disqualified Equity Interests” means any Equity Interest that, by its terms (or by the terms of any security or other Equity Interest into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (i) matures or is mandatorily redeemable (other than solely for Equity Interests that are not otherwise Disqualified Equity Interests), pursuant to a sinking fund obligation or otherwise, (ii) is redeemable at the option of the holder thereof (other than solely for Equity Interests that are not otherwise Disqualified Equity Interests), in whole or in part, (iii) provides for scheduled payments or dividends in cash or (iv) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 91 days after the Maturity Date; provided, that if such Equity Interests are issued to any plan for the benefit of employees of Globant S.A. (Luxembourg) or its Subsidiaries or by any such plan to such employees, such Equity Interests shall not constitute Disqualified Equity Interests solely because they may be required to be repurchased by the Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations.

“Dollars” or “\$” refers to lawful money of the United States.

“Domestic Subsidiary” means any Subsidiary of the Borrower organized under the laws of any jurisdiction within the United States.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” means the date on which the conditions specified in Section 4.1 are satisfied (or waived in accordance with Section 9.2).

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Section 9.4(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 9.4(b)(iii)).

“Environmental Laws” means all Applicable Law relating in any way to the environment, preservation or reclamation of natural resources, the management, storage, use, holding, collection, accumulation, generation, manufacture, processing, treatment, stabilization, disposition, handling, transportation, release or threatened release of any Hazardous Material or to health and safety matters.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment, or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

“ERISA” means the Employee Retirement Income Security Act of 1974.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the IRC or, solely for purposes of Section 302 of ERISA and Section 412 of the IRC, is treated as a single employer under Section 414 of the IRC.

“ERISA Event” means (a) any “reportable event,” as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30 day notice period is waived), (b) the determination that any Pension Plan or Multiemployer Plan, as applicable, is considered an at-risk plan or that any Pension Plan or Multiemployer Plan, as applicable, is endangered or is in critical status within the meaning of Sections 430, 431 or 432 of the IRC or Sections 303, 304 or 305 of ERISA, (c) the incurrence by the Borrower or any ERISA Affiliate of any liability under Title IV of ERISA, other than for PBGC premiums not yet due, (d) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Pension Plan or to appoint a trustee to administer any Pension Plan or the occurrence of any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan, (e) the appointment of a trustee to administer any Pension Plan, (f) the withdrawal of the Borrower or any ERISA Affiliate from a

Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or the cessation of operations by the Borrower or any ERISA Affiliate that would be treated as a withdrawal from a Pension Plan under Section 4062(d) of ERISA, (g) the partial or complete withdrawal by the Borrower or any ERISA Affiliate from any Multiemployer Plan or a notification that a Multiemployer Plan is in reorganization, or (h) the taking of any action to terminate any Pension Plan under Section 4041 or 4041A of ERISA.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Eurodollar,” when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the LIBO Rate.

“Event of Default” has the meaning specified in Article VII.

“Excluded Swap Obligation” means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and any other “keepwell, support or other agreement” for the benefit of such Guarantor and any and all guarantees of such Guarantor’s Swap Obligations by other Loan Parties) at the time the Guarantee of such Guarantor, or a grant by such Guarantor of a security interest, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes excluded in accordance with the first sentence of this definition.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.19(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.17, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such

Recipient's failure to comply with Section 2.17(g) or Section 2.17(h), and (d) any U.S. federal withholding Taxes imposed under FATCA.

"FASB ASC" means the Accounting Standards Codification of the Financial Accounting Standards Board.

"FATCA" means Sections 1471 through 1474 of the IRC, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the IRC, and any applicable intergovernmental agreements (and related official administrative guidance) with respect thereto.

"FCPA" has the meaning specified in Section 3.23.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average rate (rounded upwards, if necessary, to the next 1/100 of 1%) charged by HSBC for such day for such transactions as determined by the Administrative Agent.

"Financial Officer" means, with respect to any Person, the chief financial officer, principal accounting officer, treasurer or controller of such Person.

"Foreign Lender" means a Lender that is not a U.S. Person.

"Foreign Subsidiary" means any Subsidiary of the Borrower that is not a Domestic Subsidiary.

"FRB" means the Board of Governors of the Federal Reserve System of the United States.

"Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

"Funding Rules" means the requirements relating to the minimum required contributions (including any installment payments) to Pension Plans and Multiemployer Plans, as applicable, and set forth in Sections 412 of the IRC and Section 302 of ERISA for periods prior to the effective date of the Pension Protection Act of 2006 and Sections 412, 430, 431, 432 and 436 of the IRC and Sections 302, 303, 304 and 305 of ERISA for periods on and after the effective date of the Pension Protection Act of 2006.

"Globant S.A. (Luxembourg)" means Globant S.A., a public limited company organized under the laws of the Grand Duchy of Luxembourg.

“Globant S.A. (Spain)” means Globant S.A., a single shareholder corporation organized under the laws of the Kingdom of Spain.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state, regional or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing, or having the economic effect of guaranteeing, any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided that, the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business.

“Guarantor” means Globant S.A. (Luxembourg), Globant S.A. (Spain) and each other Material Subsidiary that makes a guaranty of the Obligations in favor of the Administrative Agent for the benefit of the Secured Parties pursuant to Section 5.9; provided, that no CFC shall be a Guarantor.

“Guaranty Agreement” means each of the Luxembourg Guaranty Agreement, the Spanish Guaranty Agreement and any other guaranty made by a Guarantor in favor of the Administrative Agent for the benefit of the Secured Parties pursuant to the terms hereof.

“Hazardous Materials” means all toxic, corrosive, flammable, explosive, carcinogenic, mutagenic, infectious or radioactive substances or wastes and all other hazardous or toxic substances, wastes or other pollutants, or dangerous substance, including petroleum or any fraction thereof, petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Hedging Agreement” means any agreement with respect to any swap, cap, collar, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that, no phantom stock or similar plan providing for payments only on account of services provided by

current or former directors, officers, employees or consultants of the Borrower or the Subsidiaries shall be a Hedging Agreement.

“HSBC” has the meaning specified in the preamble.

“IFRS” means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements delivered under or referred to herein.

“Increased Cost Lender” has the meaning specified in Section 2.19(b).

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding accounts payable incurred in the ordinary course of business that are not more than 60 days past due or that are currently being contested in good faith by appropriate proceedings in accordance with Section 5.4), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (j) Disqualified Equity Interests of such Person, (k) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances, and (l) all obligations, contingent or otherwise, of such Person under Hedging Agreements; provided that Indebtedness shall not include (i) any purchase price adjustment, earn-out, holdback or deferred payment of a similar nature incurred in connection with an Acquisition permitted under this Agreement so long as not evidenced by a note or similar written instrument (except to the extent that the amount payable pursuant to such purchase price adjustment, earn-out, holdback or deferred payment is reflected, or would otherwise be required to be reflected as a liability on a balance sheet prepared in accordance with IFRS) or (ii) prepaid or deferred revenue in connection with the sale of goods and/or the performance of services (including those related to customer advances) in the ordinary course of business. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document, and (b) to the extent not otherwise described in clause (a), Other Taxes.

“Indemnatee” has the meaning specified in Section 9.3(b).

“Information” has the meaning specified in Section 9.12.

“Interest Election Request” means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.7, which shall be substantially in the form of Exhibit F.

“Interest Payment Date” means (a) with respect to any Base Rate Loan, the last day of each March, June, September and December, and (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period.

“Interest Period” means, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter, as the Borrower may elect; provided that, (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, and (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Investment” means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extension of credit (including by way of Guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property or any payment for property or services for the account or use of others), or any purchase or acquisition of Equity Interests, evidences of Indebtedness or other securities of, such other Person and all other items that are or would be classified as investments on a balance sheet prepared in accordance with IFRS, and any purchase or other acquisition (in one transaction or a series of transactions) of any assets of any other Person constituting a business unit; provided that, the endorsement of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment.

“IRC” means the Internal Revenue Code of 1986.

“IRS” means the United States Internal Revenue Service.

“Judgment Currency” has the meaning set forth in Section 9.16.

“Lender” means each Person listed on Schedule 2.1 and any other Person that shall have become a party hereto as a Lender pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

“Lender Provided Financial Service Product” means any agreement or other arrangements under which any Lender or any Affiliate of any Lender provides any of the

following products or services to any of the Loan Parties: (a) credit cards, (b) credit card processing services, (c) debit cards, (d) purchase cards, (e) gift cards, (f) ACH transactions, (g) cash management, including electronic funds transfer, controlled disbursement, accounts or services, (h) overdraft, or (i) foreign currency exchange.

“Lender Provided Hedging Agreement” means any Hedging Agreement between a Loan Party and a counterparty that is a Lender or an Affiliate of a Lender.

“LIBO Rate” means, with respect to any Eurodollar Borrowing for any Interest Period, the rate per annum equal to the London interbank offered rate as administered by ICE Benchmark Administration Limited (or any successor to, or substitute for, such service, providing rate quotations comparable to those currently provided by ICE Benchmark Administration Limited, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) for deposits in Dollars (for delivery on such day) for such Interest Period as displayed on the Bloomberg Page BBAM1 screen page that displays such rate (or, in the event such rate does not appear on a page of the Bloomberg Page BBAM1 screen, on the appropriate page of such other information service that publishes such rate as shall be selected by the Administrative Agent from time to time in its reasonable discretion) at approximately 11:00 a.m. (London time) on the day which is two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period; provided if such offered rate shall be less than zero, such rate shall be zero for the purposes of this Agreement. In the event that no such rate is available to the Administrative Agent, LIBO Rate shall be equal to a rate per annum equal to the average rate (rounded upwards, if necessary, to the next 1/100 of 1%) at which the Administrative Agent determines that Dollars in an amount comparable to the amount of the applicable advances are being offered to prime banks at approximately 11:00 a.m. (London time) on the day which is two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period for settlement in immediately available funds by leading banks in the London interbank market selected by the Administrative Agent; provided if such determination by the Administrative Agent shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset, and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

“Loan Document” means this Agreement, each Guaranty Agreement, the Security Documents, the Notes and any other documents, agreements, certificates or instruments executed by or on behalf of any Loan Party or entered into in connection herewith.

“Loan Party” means, individually, each of the Borrower and each Guarantor and “Loan Parties” means, collectively, the Borrower and Guarantors.

“Loans” means the revolving loans made by the Lenders to the Borrower pursuant to Section 2.1.

“Luxembourg Guaranty Agreement” means the guaranty made by the Globant S.A. (Luxembourg) in favor of the Administrative Agent for the benefit of the Secured Parties, in form and substance satisfactory to the Administrative Agent.

“Material Adverse Effect” means a material adverse effect on (a) the business, assets, property, operations or financial condition of the Loan Parties and the Subsidiaries of the Borrower, taken as a whole, (b) the ability of any Loan Party to perform any of its obligations under any Loan Document, or (c) the validity or enforceability of this Agreement or any other Loan Document or the rights of or remedies or benefits available to the Administrative Agent and the Lenders under the Loan Documents.

“Material Indebtedness” means Indebtedness (other than the Loans), or obligations in respect of one or more Hedging Agreements, of any one or more of the Loan Parties in an aggregate principal amount exceeding \$10,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of any Loan Party in respect of any Hedging Agreement at any time shall be the maximum aggregate amount that such Loan Party would be required to pay if such Hedging Agreement were terminated at such time.

“Material Subsidiary” means any direct and indirect Subsidiary of the Borrower that at any date of determination, holds more than \$5,000,000 in assets (as determined in accordance with IFRS) and has generated more than \$5,000,000 in revenue (determined in accordance with IFRS) for the Computation Period ending on the last day of the most recent period for which financial statements have been delivered after the Effective Date pursuant to Section 5.1; provided that all Subsidiaries that are not individually a “Material Subsidiary” shall not have aggregate total assets of more than \$5,000,000 as of such date (determined in accordance with IFRS) or have generated more than \$5,000,000 in aggregate total revenues (determined in accordance with IFRS) for such Computation Period.

“Maturity Date” means August 2, 2022 or any earlier date on which repayment of the Obligations in respect of Loans is accelerated pursuant to the terms hereof.

“Maximum Leverage Ratio” means, as of the last day of any fiscal quarter, the ratio of (a) Consolidated Total Debt as of such day to (b) Consolidated EBITDA for the Computation Period ending on such day.

“Moody’s” means Moody’s Investors Service, Inc., and any successor thereto.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Non-Consenting Lender” means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all affected Lenders in accordance with the terms of Section 9.2(b), and (b) has been approved by the Required Lenders.

“Non-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time.

“Note” has the meaning specified in Section 2.9(e).

“Obligations” means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document, or otherwise with respect to any Loan, in each case whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Law naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding; provided that the “Obligations” shall exclude any Excluded Swap Obligations.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.19(b)).

“Participant” has the meaning specified in Section 9.4(d).

“Participant Register” has the meaning specified in Section 9.4(d).

“PATRIOT Act” means the “Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001” (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Pension Plan” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the IRC or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Permitted Encumbrances” means:

(a) Liens imposed by law for taxes that are not yet due or are being contested in compliance with Section 5.4;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 5.4;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations, other than any Lien imposed by ERISA;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under Section 7.1(k);

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or materially interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

(g) any interest or title of a lessor under any operating lease entered into by the Borrower or any Subsidiary in the ordinary course of its business and covering only the assets so leased;

(h) leases and subleases granted to others by the Borrower or any Subsidiary of the Borrower in the ordinary course of business on any real property that do not materially interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries;

(i) non-exclusive licenses of intellectual property granted in the ordinary course of business which do not, in any case, (x) materially detract from the value of the intellectual property subject thereto or (y) materially interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries and exclusive licenses of intellectual property granted in connection with any sale of assets permitted hereunder;

(j) Liens in favor of customs and revenue authorities arising as a matter of law which secure payment of customs duties in connection with the importation of goods;

(k) Liens arising solely by virtue of any statutory or common law provision relating to bankers' liens, rights of setoff or similar rights;

(l) customary restrictions on dispositions of assets to be disposed of pursuant to merger agreements, stock or asset purchase agreements and similar agreements, in each case, to the extent the entry into such agreements is otherwise permitted hereunder;

(m) Liens securing lease, utility and other similar deposits in the ordinary course of business;

(n) setoff rights in connection with repurchase obligations in favor of the counterparty to such obligations in connection with Cash Equivalent Investments of a type referred to in clause (d) of the definition thereof; and

(o) customary restrictions on assignment and transfer in intellectual property licenses under which the Borrower or any Subsidiary is a licensor or licensee;

provided that, the term “Permitted Encumbrances” shall not include any Lien securing Indebtedness.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any employee benefit plan (as defined in Section 3(3) of ERISA, including a Pension Plan), maintained, contributed to or required to be contributed to, by the Borrower or with respect to which the Borrower may have any liability.

“Platform” means Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by HSBC as its “prime rate” in effect at its office located at New York, New York; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective. The “prime rate” is a rate set by HSBC based upon various factors including HSBC’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by HSBC shall take effect at the opening of business on the day specified in the public announcement of such change.

“Recipient” means (a) the Administrative Agent and (b) any Lender, as applicable.

“Register” has the meaning specified in Section 9.4(c).

“Regulation U” means Regulation U of the FRB.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“Removal Effective Date” has the meaning specified in Section 8.6.

“Required Lenders” means, at any time, at least two Lenders having more than 50% of the Aggregate Credit Exposure of all Lenders; provided that, at any time only one Lender holds the Aggregate Credit Exposure, such Lender shall constitute the Required Lenders for

purposes hereof. The Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

“Resignation Effective Date” has the meaning specified in Section 8.6(a).

“Responsible Officer” means the chief executive officer, chief operating officer, president or Financial Officer of the Borrower, Globant S.A. (Luxembourg) or Globant S.A.U. (Spain), as applicable.

“Restricted Payment” means (i) any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in the Borrower or any Subsidiary or any option, warrant or other right to acquire any such Equity Interests in the Borrower or any Subsidiary, (ii) any payment of management fees or similar fees by the Borrower or any Subsidiary to any of its equity holders or any Affiliate thereof and (iii) any purchase of Equity Interests from present or former officers, directors or employees (or their respective spouses, ex-spouses or estates) of any Loan Party or any of their Subsidiaries in connection with restricted stock or the exercise of stock options, stock appreciation rights or similar equity incentives or equity based incentives pursuant to management incentive plans upon the death, disability, retirement, severance or termination of employment of such officer, director or employee.

“S&P” means S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, and any successor thereto.

“Sanctions” has the meaning specified in Section 3.14.

“SEC” means the Securities and Exchange Commission or any Governmental Authority succeeding to any of its principal functions.

“Secured Obligations” means, collectively, (i) the Obligations, and (ii) all obligations of any Loan Party under any Lender Provided Hedging Agreement or any Lender Provided Financial Service Product, in each case whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party of any proceeding under any Debtor Relief Law naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding; provided that, the “Secured Obligations” shall exclude any Excluded Swap Obligations.

“Secured Parties” means the Administrative Agent, each Lender and any other holder of Secured Obligations.

“Security Agreement” means the Security Agreement made by the Loan Parties in favor of the Administrative Agent for the benefit of the Secured Parties, substantially in the form of Exhibit C.

“Security Documents” means the Security Agreement and all other security documents hereafter delivered to the Administrative Agent granting a Lien on any property of any Person to secure the Secured Obligations.

“Spanish Guaranty Agreement” means the guaranty made by the Globant S.A. (Spain) in favor of the Administrative Agent for the benefit of the Secured Parties, in form and substance satisfactory to the Administrative Agent.

“Subsidiary” means, with respect to any Person, any other Person the accounts of which would be consolidated with those of such Person in such Person’s consolidated financial statements if such financial statements were prepared in accordance with IFRS as well as any other Person (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, by such Person, or (b) that is, as of such date, otherwise Controlled by such Person. Unless the context otherwise specifically requires, the term “Subsidiary” shall refer to a Subsidiary of the Borrower.

“Swap Obligations” means with respect to any Guarantor any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Total Credit Exposure” means, as to any Lender at any time, the outstanding unused Commitments and the Credit Exposure of such Lender at such time.

“Trade Date” has the meaning specified in Section 9.4(b)(i)(B).

“Transaction Costs” means, with respect to the Transactions or any Acquisition, the reasonable and documented fees, charges and other amounts related to the Transactions (including, in each case, any reasonable and documented underwriting, commitment, arrangement, structuring or similar fees), reasonable and documented merger and acquisition fees (including any investment and banking or brokerage fees), reasonable and documented legal fees and expenses, consulting and valuation fees, due diligence fees or any other fees and expenses in connection therewith).

“Transactions” means the execution, delivery and performance by the Loan Parties of the Loan Documents, the borrowing of Loans and the use of the proceeds thereof.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the LIBO Rate or the Alternate Base Rate.

“UK Bribery Act” has the meaning specified in Section 3.23.

“United States” and “U.S.” mean the United States of America.

“Unrestricted Cash” means, as of any date of determination, the aggregate cash and investments described in clauses (a) through (h) of the definition of Cash Equivalent Investments including in the cash and investments described in clauses (a) through (h) of the definition of Cash Equivalent Investments listed on the consolidated balance sheet of the Borrower, without duplication and in accordance with IFRS, as at such date (excluding any amount thereof listed as “restricted”).

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the IRC.

“U.S. Tax Compliance Certificate” is defined in Section 2.17(g).

“Wholly Owned Subsidiary” means, as to any Person, any other Person all of the Equity Interests of which (other than directors’ qualifying shares required by law) are owned by such Person directly and/or through other Wholly Owned Subsidiaries.

“Withholding Agent” means any Loan Party and the Administrative Agent.

“Write-Down and Conversion Powers” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

Section 1.2 Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a “Eurodollar Loan”). Borrowings also may be classified and referred to by Type (e.g., a “Eurodollar Borrowing”).

Section 1.3 Terms Generally; Rules of Construction. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, amended and restated, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

Section 1.4 Accounting Terms and Determinations; IFRS. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with IFRS, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in IFRS or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in IFRS or in the application thereof, then such provision shall be interpreted on the basis of IFRS as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

Section 1.5 Rounding. Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number.

Section 1.6 Time of Day. Unless otherwise specified, all references herein to time of day shall be references to Eastern time (daylight or standard, as applicable).

ARTICLE II

The Credits

Section 2.1 Commitments. Subject to the terms and conditions set forth herein, each Lender (severally and not jointly) agrees to make Loans to the Borrower in Dollars from time to time during the Availability Period in an aggregate principal amount that will not result in (i) such Lender's Credit Exposure exceeding such Lender's Commitment then in effect, or (ii) the sum of the total Credit Exposure exceeding the aggregate Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Loans.

Section 2.2 Loans and Borrowings. (a) Each Loan shall be made as part of a Borrowing consisting of Loans of the same Type made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that, the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.13, each Borrowing shall be comprised entirely of Base Rate Loans or Eurodollar Loans as the Borrower may request in accordance with this Agreement; provided that, all Borrowings made on the Effective Date must be made as Base Rate Borrowings (unless the Borrower executes a funding indemnity letter in form and substance reasonably satisfactory to the Administrative Agent) but may be converted into Eurodollar Borrowings in accordance with Section 2.7. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan;

provided that, any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$500,000. At the time that each Base Rate Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$100,000 and not less than \$100,000; provided that, a Base Rate Borrowing may be in an aggregate amount that is equal to the entire unused balance of the aggregate Commitments then in effect. Borrowings of more than one Type may be outstanding at the same time; provided that, there shall not at any time be more than a total of seven Eurodollar Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue any Eurodollar Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

Section 2.3 Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by submitting a Borrowing Request signed by the Borrower by (a) in the case of a Eurodollar Borrowing, not later than 1:00 p.m. three Business Days before the date of the proposed Borrowing or (b) in the case of a Base Rate Borrowing, not later than 1:00 p.m. one Business Day before the date of the proposed Borrowing. Each such Borrowing Request shall be irrevocable and shall be submitted by hand delivery, telecopy or electronic communication to the Administrative Agent. Each such Borrowing Request shall specify the following information in compliance with Section 2.2:

- (i) the aggregate principal amount of the requested Borrowing;
- (ii) the date of such Borrowing, which shall be a Business Day;
- (iii) whether such Borrowing is to be a Base Rate Borrowing or a Eurodollar Borrowing;
- (iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and
- (v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.6.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be a Base Rate Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

Section 2.4 Reserved.

Section 2.5 Reserved.

Section 2.6 Funding of Borrowings.

(a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders in an amount equal to such Lender's Applicable Percentage. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent in New York, New York and designated by the Borrower in the applicable Borrowing Request.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with clause (a) of this Section and may, in its sole and absolute discretion in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, or (ii) in the case of the Borrower, the interest rate applicable to Base Rate Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent. Nothing in this Section 2.6(b) shall obligate the Administrative Agent to prefund any amount.

Section 2.7 Interest Elections. (a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request or as otherwise specified in Section 2.3. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by submitting an Interest Election Request signed by the Borrower by the time that a Borrowing Request would be required under Section 2.3 if the

Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such Interest Election Request shall be irrevocable and shall be submitted by hand delivery, teletype or electronic communication to the Administrative Agent.

(c) Each written Interest Election Request shall specify the following information in compliance with Section 2.2:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be a Base Rate Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period."

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to a Base Rate Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to a Base Rate Borrowing at the end of the Interest Period applicable thereto.

Section 2.8 Termination and Reduction of Commitments. (a) Unless previously terminated, the Commitments shall be automatically and permanently reduced to zero on the Maturity Date.

(b) The Borrower may, at any time and from time to time, reduce or terminate the Commitments; provided that, (i) each partial reduction of the Commitment shall be in a

minimum amount of \$5,000,000 or in an integral multiple of \$1,000,000 in excess thereof, and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.10, the sum of the Credit Exposure would exceed the aggregate Commitments.

(c) The Borrower shall notify the Administrative Agent of any election to reduce or terminate the Commitments under clause (b) of this Section at least three Business Days prior to the effective date of such reduction or termination, specifying such election and the effective date thereof. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that, any such notice of reduction or termination of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or the closing of another transaction, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any reduction or termination of the Commitments shall be permanent.

(d) Each reduction in the Commitments shall be made ratably among the Lenders in accordance with their respective applicable Commitments.

Section 2.9 Repayment of Loans; Evidence of Debt.

(a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then-unpaid principal amount of each Loan on the Maturity Date.

(b) Each Lender shall maintain, in accordance with its usual practice, an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder and any promissory note evidencing such Loan, the Type thereof and the Interest Period, if any, applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder, and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to clause (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the Obligations recorded therein; provided that, the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Obligations or the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note (each, a "Note") substantially in the form of Exhibit A. In such event, the Borrower shall prepare, execute and deliver to such Lender a Note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns). Thereafter,

the Loans evidenced by such Note and interest thereon shall at all times (including after assignment pursuant to Section 9.4) be represented by one or more Notes payable to the order of the payee named therein.

Section 2.10 Prepayment of Loans.

(a) Voluntary. The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with this Section.

(b) Notice Matters. The Borrower shall notify the Administrative Agent by submitting a written notice signed by the Borrower (by hand delivery, telecopy or electronic communication) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 1:00 p.m. three Business Days before the date of prepayment, or (ii) in the case of prepayment of a Base Rate Borrowing, not later than 1:00 p.m. one Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, any such notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.8, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.8. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing under Section 2.10(a) shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.2. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.12. If a Eurodollar Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.16.

(c) Overadvance. The Borrower shall prepay Loans hereunder in such amounts and at such times (including in connection with any optional or scheduled reduction of the total amount of the Commitments) to assure that the total Credit Exposure does not exceed the then-current total aggregate amount of Commitments.

Section 2.11 Fees.

(a) Commitment Fees. The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at 0.25% of the daily amount of the unused Commitment (if any) of such Lender during the period from and including the Effective Date to but excluding the date on which such Commitment terminates. Accrued commitment fees shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the Commitments terminate, commencing on the first such date to occur after the date hereof.

(b) Administrative Agent's Fees. The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(c) Computation of Fees; Etc. All fees payable under this Section shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). Each determination by the Administrative Agent of a fee hereunder shall be conclusive absent manifest error. All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, in the case of commitment fees, to the Lenders. Fees, once paid, shall be fully earned and shall not be refundable under any circumstances.

Section 2.12 Interest.

(a) The Loans comprising each Base Rate Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at the LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding anything to the contrary herein, upon the request of the Required Lenders, at any time an Event of Default exists, (i) the Applicable Rate with respect to each Loan shall be increased by 2%, and (ii) all other amounts payable by the Borrower hereunder shall bear interest at a rate 2% above the rate applicable to Base Rate Borrowings as provided in clause (a) above, in each of the foregoing clauses (i) and (ii), after as well as before judgment; provided, that the increases described in this clause (c) shall be effective immediately upon (x) any amount of principal of any Loan not being paid when due (without regard to any applicable grace period), whether at stated maturity, by acceleration or otherwise, or (y) an Event of Default described in Section 7.1(h) or Section 7.1(i).

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and upon termination of the Commitments; provided that, (i) interest accrued pursuant to clause (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of a Base Rate Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment, and (iii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and, in each case, shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

Section 2.13 Alternate Rate of Interest. Notwithstanding any other provision of this Agreement, if prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the LIBO Rate for an Interest Period with the duration of such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for an Interest Period with the duration of such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone, followed promptly by written confirmation thereof delivered by telecopy or (if arrangements for doing so have been approved by the Administrative Agent) electronic communication as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, then (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing with an Interest Period having the duration of such Interest Period shall be ineffective and any such Eurodollar Borrowing shall be repaid on the last day of the then current Interest Period applicable thereto and (ii) if any Borrowing Request requests a Eurodollar Borrowing with an Interest Period having the duration of such Interest Period, such Borrowing shall be made as a Eurodollar Borrowing having an Interest Period with the shortest available duration described in the definition of "Interest Period" or, in the absence of any such available duration, as a Base Rate Borrowing.

Section 2.14 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by Section 2.14(e));

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of "Excluded Taxes", and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or other Recipient, the Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such

Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy and liquidity), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or other Recipient setting forth the amount or amounts necessary to compensate such Lender or other Recipient or its holding company, as the case may be, as specified in clause (a) or (b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender or other Recipient, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or other Recipient to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or other Recipient's right to demand such compensation; provided that, the Borrower shall not be required to compensate a Lender or other Recipient pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or other Recipient, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's or such other Recipient's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Eurocurrency Liabilities. The Borrower shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each Eurodollar Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan; provided that, the Borrower shall have received at least ten (10) days' prior notice (with a copy to the Administrative Agent) of such additional interest from such Lender. If a Lender fails to give notice ten (10) days prior to the relevant Interest Payment Date, such additional interest shall be due and payable ten (10) days from receipt of such notice.

Section 2.15 Change in Legality. Notwithstanding any other provision of this Agreement, if any Change in Law shall make it unlawful for any Lender to make or maintain, or convert any Loan into, a Eurodollar Loan, then, upon written notice by such Lender to the

Borrower and to the Administrative Agent, which notice shall specify the extent of such unlawfulness (e.g., whether such unlawfulness applies to Eurodollar Loans generally or only to Interest Periods of a particular length):

(a) any request for the making or continuation of, or the conversion of Base Rate Loans into, Eurodollar Loans shall, solely as to such Lender and to the extent a Eurodollar Loan by such Lender would be (or during the applicable Interest Period would become) unlawful, be disregarded and the portion of the Loan of such Lender that would be part of the applicable Borrowing of Eurodollar Loans shall be made as, converted to or continue to be maintained as a Base Rate Loan (or bear interest at such other rate as may be agreed between the Borrower and such Lender); and

(b) each outstanding Eurodollar Loan of such Lender shall, on the last day of the Interest Period therefor (unless such Loan may be continued as a Eurodollar Loan for the full duration of any requested new Interest Period without being unlawful) or on such earlier date as such Lender shall specify is necessary pursuant to the applicable Change in Law, convert to a Base Rate Loan.

Section 2.16 Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or as a result of any prepayment pursuant to Section 2.10), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.8(c) and is revoked in accordance therewith), or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. Such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Loan had such event not occurred, at the LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then-current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan) over (ii) the amount of interest that would accrue on such principal amount for such period at the interest rate that such Lender would bid were it to bid, at the commencement of such period, for Dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section, including in reasonable summary detail a description of the basis for such compensation and a calculation of such amount or amounts, shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

Section 2.17 Taxes.

(a) FATCA. For purposes of this Section 2.17, the term "Applicable Law" includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by the Borrower. The Borrower shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or, at the option of the Administrative Agent, timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by the Loan Parties. The Loan Parties shall jointly and severally indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.4(d) relating to the maintenance of a Participant Register, and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this clause (e).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.17, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by

such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Status of Lenders.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 2.17(g)(ii)(A) and 2.17(g)(ii)(B) and 2.17(h) below) shall not be required if, in the Lender's reasonable judgment, such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party, (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN or W-8BEN-

E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” Article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” Article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the IRC, (x) a certificate substantially in the form of Exhibit D-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the IRC, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the IRC, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the IRC (a “U.S. Tax Compliance Certificate”), and (y) executed originals of IRS Form W-8BEN or W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-2 or Exhibit D-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that, if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-4 on behalf of each such direct and indirect partner; and

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient), on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made.

(h) Documentation Required by FATCA. If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the IRC, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the IRC) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (h), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(i) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including by the payment of additional amounts pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this clause (i) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this clause (i), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this clause (i) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This clause (i) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(j) Survival. Each party's obligations under this Section 2.17 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

(k) Updates. Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 2.17 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

Section 2.18 Payments Generally; Pro Rata Treatment; Sharing of Setoffs.

(a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or of amounts payable under Section 2.14, 2.16 or 2.17, or otherwise) prior to 2:00 p.m. on the date when due, in immediately available funds, without defense, deduction, recoupment, setoff or counterclaim. Any amounts received after such time on any date may, in the sole and absolute discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon and fees with respect thereto. All such payments shall be made to the Administrative Agent at its offices at 425 5th Avenue, New York, NY 10018, except that payments pursuant to Sections 2.14, 2.16, 2.17 and 9.3 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in Dollars.

(b) Except as otherwise provided in Section 7.2, if, at any time, insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (i) notify the Administrative Agent of such fact, and (ii) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing to them; provided that:

(x) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(y) the provisions of this Section 2.18(c) shall not be construed to apply to (A) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), or (B) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant.

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may in its sole and absolute discretion assume that the Borrower has made such payment on such date in accordance herewith and may, in its sole and absolute discretion in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. Nothing in this Section 2.18(d) shall obligate the Administrative Agent to prefund any amount.

(e) The obligations of the Lenders hereunder to make Loans and to make payments pursuant to Section 9.3(c) are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under Section 9.3(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 9.3(c).

Section 2.19 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 2.14, or delivers a notice described in Section 2.15, or requires the Borrower to pay any Indemnified Tax or additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce any amount payable pursuant to Section 2.14 or 2.17, or illegality, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 2.14, or if any Lender delivers a notice described in Section 2.15 or if the Borrower is required to pay any Indemnified Tax or additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with

Section 2.19(a) (each such Lender, an “Increased Cost Lender”), or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 9.4), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.14 or Section 2.17) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(i) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 9.4 (other than in the case of the replacement of a Defaulting Lender or a Non-Consenting Lender);

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 2.16) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 2.14 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) in the case of any such assignment resulting from a notice of illegality under Section 2.15, such assignment will eliminate such illegality;

(v) such assignment does not conflict with Applicable Law; and

(vi) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply. Each Lender hereby grants to the Administrative Agent an irrevocable power of attorney (which power is coupled with an interest) to execute and deliver, on behalf of such Lender, as assignor, any Assignment and Assumption necessary to effect any assignment of such Lender’s interests hereunder in the circumstances contemplated by this Section 2.19. Each Lender agrees that if the Borrower exercises its option hereunder to cause an assignment by such Lender as an Increased Cost Lender, Non-Consenting Lender or Defaulting Lender, such Lender shall, promptly after receipt of written notice of such election, execute and deliver all documentation necessary to effect such assignment in accordance with Section 9.4. In the event that a Lender does not comply with the requirements of the immediately preceding sentence within one (1) Business Day after receipt of such notice, each Lender hereby authorizes and directs the Administrative Agent to execute and

deliver such documentation as may be required to give effect to an assignment in accordance with Section 9.4 on behalf of an Increased Cost Lender, Non-Consenting Lender or Defaulting Lender and any such documentation so executed by the Administrative Agent shall be effective for purposes of documenting an assignment pursuant to Section 9.4.

Section 2.20 Reserved.

Section 2.21 Defaulting Lenders.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement or any other Loan Document shall be restricted as set forth in the definition of Required Lenders.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 7.1 or otherwise), or received by the Administrative Agent from a Defaulting Lender pursuant to Section 9.8, shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; third, if so determined by the Administrative Agent in its sole and absolute discretion, to be held in a deposit account as Cash Collateral for release in such order as the Administrative Agent shall determine in order to satisfy (x) such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement, and (y) such Defaulting Lender's future indemnity obligations to the Administrative Agent under this Agreement; fourth, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; fifth, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and sixth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that, if (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made at a time when the conditions set forth in Section 4.2 were satisfied or waived, such payment shall be applied

solely to pay the Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are funded pro rata in accordance with their Commitments. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.21(a)(ii), shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees. No Defaulting Lender shall be entitled to receive any commitment fee pursuant to Section 2.11(a) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(b) Defaulting Lender Cure. If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans to be held pro rata by the Lenders in accordance with their Commitments, whereupon such Lender will cease to be a Defaulting Lender; provided that, no adjustment will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided further that, except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

ARTICLE III

Representations and Warranties

The Borrower represents and warrants to the Administrative Agent and the Lenders that:

Section 3.1 Organization; Powers. Each of the Borrower and its Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to own or lease its property and to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification.

Section 3.2 Authorization; Enforceability. The Transactions are within the corporate or other applicable organizational powers of the Loan Parties and have been duly authorized by all necessary corporate or other applicable organizational actions and, if required, actions by stockholder and other equity holders. This Agreement has been, and each other Loan Document,

when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is a party thereto and constitutes, or will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Section 3.3 Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority or any other Person, except such as have been obtained or made and are in full force and effect, (b) will not violate any Applicable Law or the charter, by-laws or other organizational documents of any Loan Party or any Subsidiary of the Borrower or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon any Loan Party or any Subsidiary of the Borrower or their assets, or give rise to a right thereunder to require any payment to be made by any Loan Party or any Subsidiary of the Borrower, and (d) will not result in the creation or imposition of any Lien on any asset of any Loan Party or any Subsidiary of the Borrower (except for Liens created by the Security Documents).

Section 3.4 Financial Condition; No Material Adverse Effect.

(a) The Borrower has furnished the Lenders a balance sheet and statements of income, stockholders' equity and cash flows of Globant S.A. (Luxembourg) and its Subsidiaries on a Consolidated basis as of and for the fiscal year ended 2016, audited on by independent public accountants. Such financial statements were prepared in accordance with IFRS consistently applied, present fairly the financial position and results of operations and cash flows of Globant S.A. (Luxembourg) and its Subsidiaries on a Consolidated basis as of such dates and for such periods.

(b) No Loan Party has any material liabilities, contingent or otherwise, or forward or long-term commitments that are not disclosed in the financial statements referred to in Section 3.4(a) or in the notes thereto. No Material Adverse Effect has occurred since Effective Date and no other facts or circumstances exist nor has any development or event occurred that has had or could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(c) All balance sheets, all statements of income and of cash flows and all other financial information of Globant S.A. (Luxembourg) and its Subsidiaries furnished pursuant to Section 5.1 have been and will for periods following the Effective Date be prepared in accordance with IFRS consistently applied, and do or will present fairly the financial condition of the Persons covered thereby on a Consolidated basis as at the dates thereof and the results of their operations for the periods then ended.

(d) The forecasted balance sheet and statements of income and cash flows of Globant S.A. (Luxembourg) and its Subsidiaries delivered pursuant to Section 5.1(d) were prepared on a Consolidated basis in good faith on the basis of the assumptions stated therein, which assumptions were fair in light of the conditions existing at the time of delivery of such

forecasts, and represented, at the time of delivery, Globant S.A. (Luxembourg)'s reasonable estimate of its future financial condition and performance, it being understood that such forecasts (i) are subject to significant uncertainties and contingencies, many of which are beyond the Borrower's control, that no assurance can be given that any particular projections will be realized, the actual results may differ and that such differences may be material and (ii) are not a guarantee of performance.

Section 3.5 Properties. Each of the Borrower and its Subsidiaries has (i) in the case of owned real property, good and marketable title to, (ii) in the case of owned personal property, good and valid title to, and (iii) in the case of leased real or personal property, valid and enforceable leasehold interests (as the case may be) in, all its real and personal property necessary or used in the ordinary conduct of its business, except for defects in title that could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. The property of the Borrower and its Subsidiaries is subject to no Liens, other than Liens permitted by Section 6.3.

Section 3.6 Litigation and Environmental Matters.

(a) There are no actions, suits, litigation, investigations or proceedings by, of or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened by or against or affecting any Loan Party or any Subsidiary of the Borrower or against any of its property or assets (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters), or (ii) that involve, or purport to affect or pertain to, this Agreement, any other Loan Document or the Transactions.

(b) Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, no Loan Party or Subsidiary of the Borrower (i) has failed to comply with any Environmental Law or any remediation order, notice of claim, notice of infraction or other order under any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability, or (iv) knows of any basis for any Environmental Liability.

(c) Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, with respect to any real property owned or leased by any Loan Party or any Subsidiary of the Borrower, (i) there has been no release of Hazardous Materials at, from, or to the real property, including the soils, surface waters, or ground waters thereof, and (ii) there are no conditions at the real property which, with the passage of time, or giving of notice, or both, would be reasonably likely to result in an Environmental Liability.

(d) Since the date of this Agreement, there has been no change in the status, or financial effect on any Loan Party or any Subsidiary of the Borrower, of the Disclosed Matters that, individually or in the aggregate, has resulted in a Material Adverse Effect.

Section 3.7 Compliance with Laws and Contractual Obligations; No Defaults. Each Loan Party and each Subsidiary of the Borrower is in compliance in all material respects with all Applicable Laws. Each Loan Party and each Subsidiary of the Borrower is in compliance with all of its Contractual Obligations, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. Neither any Loan Party nor any Subsidiary of the Borrower is in default under or with respect to any Contractual Obligation that could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing or would result from the consummation of the Transactions.

Section 3.8 Investment Company Status; Other Laws. No Loan Party or Subsidiary of the Borrower is or is required to be registered as an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940.

Section 3.9 Taxes. Each Loan Party and each Subsidiary of the Borrower has timely filed or caused to be filed all federal, state and other material Tax returns and reports required to have been filed by it and has paid or caused to be paid all federal, state and other material taxes, assessments, fees and other governmental charges required to have been paid by it or levied or imposed upon it or its properties, income or assets otherwise due and payable, except Taxes that are being contested in good faith by appropriate proceedings diligently conducted and for which the Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves in accordance with IFRS.

Section 3.10 ERISA Compliance. Each Plan is in compliance in all material respects with all applicable requirements of ERISA, the IRC and other Applicable Law. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. No claim, action, suit, audit or investigation with respect to any Plan exists or has been commenced or, to the knowledge of the Borrower, threatened, other than routine claims for benefits and except for such claims, actions, suits, audits and investigations that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules arising under ERISA with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect. The Borrower and each ERISA Affiliate has complied with the Funding Rules with respect to each Pension Plan, and no waiver of the minimum funding requirements under the Funding Rules has been applied for or obtained. As of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430 of the IRC) is 60% or higher and no facts or circumstances exist that could reasonably be expected to cause the funding target attainment percentage to drop below such threshold as of the most recent valuation date.

Section 3.11 Insurance. Set forth on Schedule 3.11 is a complete and accurate summary of the property and casualty insurance program of the Loan Parties as of the Effective Date (including the names of all insurers, policy numbers, expiration dates, amounts and types of coverage, annual premiums, exclusions, deductibles, self-insured retention and a description in reasonable detail of any self-insurance program, retrospective rating plan, fronting arrangement or other risk assumption arrangement involving any Loan Party). The properties of the Borrower

and its Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of the Borrower, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Borrower or the applicable Subsidiary operates.

Section 3.12 Margin Regulations. No Loan Party and no Subsidiary thereof is engaged or will engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U), or extending credit for the purpose of purchasing or carrying margin stock. No part of the proceeds of any Loan will be used, directly or indirectly, to purchase or carry, or to extend credit to others to purchase or carry, any margin stock (within the meaning of Regulation U) or for any other purpose that entails a violation of any Regulations of the FRB, including Regulation U.

Section 3.13 Subsidiaries; Equity Interests. No Loan Party has any Subsidiaries other than those specifically disclosed in Part I of Schedule 3.13 (and any Subsidiaries that are permitted to have been organized or acquired after the Effective Date in accordance with Section 6.6). All of the outstanding Equity Interests in such Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by a Loan Party in the amounts specified on Part I of Schedule 3.13 free and clear of all Liens (other than Liens created by the Security Documents and Liens permitted under Section 6.3). No Loan Party has any equity investments in any other Person other than those specifically disclosed in Part II of Schedule 3.13 (and any Subsidiaries that are permitted to have been organized or acquired after the Effective Date in accordance with Section 6.6). All of the outstanding Equity Interests in the Borrower have been validly issued, and are fully paid and nonassessable and are owned by Globant S.A. (Spain) in the amounts specified on Part III of Schedule 3.13 free and clear of all Liens.

Section 3.14 Sanctions. Neither any Loan Party nor any Subsidiary of a Loan Party has any director or officer, or any employee, agent, or affiliate, of such any such Loan Party or Subsidiary is a Person that is, or is owned or controlled by Persons that are, (i) the subject of any sanctions administered or enforced by the US Department of the Treasury's Office of Foreign Assets Control, the US Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury, the Hong Kong Monetary Authority or other relevant sanctions authority (collectively, "Sanctions"), or (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions, including, without limitation, currently, Cuba, the Crimea region of the Ukraine, Iran, North Korea, Sudan and Syria.

Section 3.15 Disclosure. The Borrower has disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which it or any Loan Party or any Subsidiary of the Borrower is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. The reports, financial statements, certificates or other information (whether in writing or orally) furnished by or on behalf of any Loan Party to the Administrative Agent or any Lender pursuant to or in connection with the Loan Documents (as modified or supplemented by other information so furnished), when taken as a whole, do not contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith

based upon assumptions believed to be reasonable at the time made, it being understood that such forecasts (i) are not to be viewed as facts and are subject to significant uncertainties and contingencies, many of which are beyond the Borrower's control, that no assurance can be given that any particular projections will be realized, that actual results may differ and that such differences may be material and adverse and (ii) are not a guarantee of performance.

Section 3.16 Security Documents. The Security Agreement, upon execution and delivery thereof by the parties thereto, is effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof. In the case of the Collateral described in the Security Agreement, when financing statements and other filings in appropriate form are or have been filed in the appropriate offices, the Security Agreement shall constitute a fully perfected first priority Lien on, and security interest in, all right, title and interest of each Loan Party in such Collateral and the proceeds thereof solely to the extent a security interest can be perfected solely by such filing or other action required thereunder as security for the Secured Obligations, in each case prior and superior in right to any other Person (except for Liens permitted by Section 6.3).

Section 3.17 Solvency, etc.

(a) On the Effective Date, and immediately prior to and after giving effect to the Transactions and each Borrowing hereunder and the use of the proceeds thereof, with respect to the Borrower, individually, (a) the fair value of its assets is greater than the amount of its liabilities (including contingent liabilities), (b) the present fair saleable value of its assets is not less than the amount that will be required to pay the probable liability on its debts as they become absolute and matured, (c) it is able to pay its debts and other liabilities (including contingent liabilities) as they become absolute and matured in the ordinary course of business, (d) it does not intend to, and does not believe that it will, incur debts or liabilities beyond its ability to pay as such debts and liabilities mature, and (e) it is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which its property would constitute unreasonably small capital; provided that, the amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

(b) On the Effective Date, and immediately prior to and after giving effect to the Transactions and each Borrowing hereunder and the use of the proceeds thereof, (a) the fair value of the assets of the Loan Parties (on a Consolidated basis) is greater than the amount of the liabilities (including contingent liabilities), (b) the present fair saleable value of the assets of the Loan Parties (on a Consolidated basis) is not less than the amount that will be required to pay the probable liability of the Loan Parties (on a Consolidated basis) on their debts as they become absolute and matured, (c) the Loan Parties (on a Consolidated basis) are able to pay their debts and other liabilities (including contingent liabilities) as they become absolute and matured in the ordinary course of business, (d) the Loan Parties do not intend to, and do not believe that they will, incur debts or liabilities beyond their ability to pay as such debts and liabilities mature, and (e) the Loan Parties (on a Consolidated basis) are not engaged in business or a transaction, and are not about to engage in business or a transaction, for which their property would constitute

unreasonably small capital; provided that, the amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

Section 3.18 Reserved.

Section 3.19 Burdensome Obligations. No Loan Party is a party to any agreement or contract or subject to any restriction contained in its organizational documents which could reasonably be expected to have a Material Adverse Effect.

Section 3.20 Labor Matters. Except as set forth on Schedule 3.20, no Loan Party is subject to any labor or collective bargaining agreement. There are no existing or threatened strikes, lockouts or other labor disputes involving any Loan Party that, individually or in the aggregate could reasonably be expected to have a Material Adverse Effect. Hours worked by and payment made to employees of the Loan Parties are not in violation of the Fair Labor Standards Act or any other Applicable Law dealing with such matters in any material respect.

Section 3.21 Reserved

Section 3.22 EEA Financial Institution. No Loan Party is an EEA Financial Institution.

Section 3.23 Anti-Corruption. No Loan Party or Subsidiary of a Loan Party or, to the knowledge of any such party, any director, officer, agent, employee, Affiliate or other Person acting on behalf of any such party is aware or has taken any action, directly or indirectly, that would result in a violation by such Persons of any applicable anti-bribery law or anti-corruption law, including, but not limited to, the United Kingdom Bribery Act 2010 (the "UK Bribery Act") and the U.S. Foreign Corrupt Practices Act of 1977 (the "FCPA"). Furthermore, the Loan Parties and their respective Subsidiaries and, to the knowledge of any Loan Party or any of their Affiliates, have conducted their businesses in compliance with the UK Bribery Act, the FCPA and similar laws, rules or regulations (including other applicable anti-corruption laws) and have instituted and maintain policies and procedures designed to ensure, and which are reasonable expected to continue to ensure, continued compliance therewith.

Section 3.24 Use of Proceeds. The proceeds of the Loans, shall be used to pay fees, commissions and expenses of the Transactions, for general corporate purposes (including, without limitation, payments in connection with Acquisitions permitted hereunder) and working capital requirements of the Borrower.

ARTICLE IV

Conditions Precedent

Section 4.1 Effective Date. The obligations of the Lenders to make Loans shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.2):

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party, or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy or electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received the following, each in form and substance satisfactory to the Administrative Agent:

(i) a counterpart of (x) the Luxembourg Guaranty Agreement executed by Globant S.A. (Luxembourg) and (y) the Spanish Guaranty Agreement executed by Globant S.A. (Spain);

(ii) a counterpart of the Security Agreement executed by the Borrower;

(iii) each document (including Uniform Commercial Code financing statements) required by the Security Documents or reasonably requested by the Administrative Agent to be filed, registered or recorded in order to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a perfected Lien on the Collateral that is capable of being perfected by the filing of a Uniform Commercial Code financing statement described therein, prior to all other Liens (subject only to Liens permitted pursuant to Section 6.3), in proper form for filing, registration or recording;

(iv) certified copies of Uniform Commercial Code and other Lien search reports dated a date near to the Effective Date, listing all effective financing statements and other Lien filings that name the Borrower (under their current names and any previous names) as debtors, together with (A) copies of such financing statements or other Lien filings, and (B) such Uniform Commercial Code termination statements or amendments or other Lien terminations, as applicable, as the Administrative Agent may request;

(v) such documents, incumbency and other certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Loan Parties, the authorization of the Transactions, the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents and any other legal matters relating to the Loan Parties, this Agreement or the Transactions (it being understood and agreed that the Administrative Agent and the Lenders shall be entitled to conclusively rely on such documents, incumbency and certificates until notice is received by the Administrative Agent from the Borrower to the contrary);

(vi) evidence satisfactory to the Administrative Agent of the receipt of all consents required to effect the Transactions, including all regulatory approvals and licenses, if applicable;

(vii) evidence of the existence of insurance required to be maintained pursuant to Section 5.5, together with evidence that the Administrative Agent has been named as lender's loss payee and an additional insured on all related insurance policies; and

(viii) a certificate, dated the Effective Date and signed by a Responsible Officer of the Borrower, confirming compliance with the conditions set forth in clauses (a) and (b) of Section 4.2.

(c) The Administrative Agent shall have received favorable written legal opinions (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of New York counsel for the Loan Parties, Luxembourg counsel to Globant S.A. (Luxembourg), and Spanish counsel to Globant S.A. (Spain), each in form and substance reasonably satisfactory to the Administrative Agent, and covering such other matters relating to the Loan Parties, the Loan Documents or the Transactions as the Required Lenders shall reasonably request.

(d) Each Lender shall have received payment of all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced at least one (1) Business Day prior to the Effective Date, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder.

(e) The Administrative Agent and each Lender shall have received all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act, in each case, to the extent requested in writing at least five (5) Business Days prior to the Effective Date.

(f) Since December 31, 2016, there shall not have occurred any Material Adverse Effect.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

Section 4.2 Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Loan Parties set forth in the Loan Documents shall be true and correct in all material respects (except to the extent already qualified by materiality, in which case any such representation or warranty shall be true and correct in all respects) on and as of the date of such Borrowing, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (except to the extent already qualified by materiality, in which case any such representation or warranty shall be true and correct in all respects) as of such earlier date.

(b) At the time of and immediately after giving effect to such Borrowing, no Default or Event of Default shall have occurred or is continuing.

Each Borrowing shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in clauses (a) and (b) of this Section.

ARTICLE V

Affirmative Covenants

So long as any Lender has any Commitment hereunder, any Loans, any Obligations or any other amount payable hereunder or under any other Loan Document has not been paid in full, the Borrower covenants and agrees, for itself and its Subsidiaries, with the Administrative Agent and the Lenders that:

Section 5.1 Financial Statements and Other Information. The Borrower shall furnish, or shall cause to be furnished, to the Administrative Agent and each Lender:

(a) as soon as practicable, but in any event within 120 days after the end of each fiscal year:

(i) Globant S.A. (Luxembourg)'s audited balance sheet and related statements of operations (which shall include, for the avoidance of doubt, an accounts receivable report), shareholders' equity and cash flows as of the end of and for such year on a Consolidated basis, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by independent public accountants selected by Globant S.A. (Luxembourg) and reasonably acceptable to the Administrative Agent (it being understood and agreed that Deloitte & Co. S.A. is deemed acceptable to the Administrative Agent) (without any qualification or exception which (x) is of a "going concern" or similar nature (other than any qualifications arising from the Loans hereunder maturing, in accordance with their terms on a non-accelerated basis, less than one year following the date of such financial statements), (y) relates to the limited scope of examination of matters relevant to such financial statement, or (z) relates to the treatment or classification of any item in such financial statement and which, as a condition to its removal, would require an adjustment to such item the effect of which could be reasonably expected to result in a Default or Event Default) to the effect that such financial statements present fairly, in all material respects, the financial position and results of operations of Globant S.A. (Luxembourg) and its Subsidiaries on a Consolidated basis in accordance with IFRS consistently applied;

(ii) Borrower's balance sheet and related statements of operations (which shall include, for the avoidance of doubt, an accounts receivable report), as of the end of and for such year on a Consolidated basis, setting forth in each case in comparative form the figures for the previous fiscal year, all certified by a Financial Officer of the Borrower as presenting fairly, in all material respects, the financial position and results of operations of Borrower in accordance with IFRS consistently applied;

(b) as soon as practicable, but in any event within 60 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower's and Globant S.A. (Luxembourg)'s balance sheet and related statements of operations (which shall include, for the avoidance of doubt, an accounts receivable report), shareholders' equity and cash flows as of the end of and for such fiscal quarter and the then-elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, each certified by a Financial Officer of the Borrower and Globant S.A. (Luxembourg), respectively, as presenting fairly, in all material respects, the financial position and results of operations of the Borrower and Globant S.A. (Luxembourg)'s consolidated Subsidiaries on a Consolidated basis in accordance with IFRS consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a duly completed and executed Compliance Certificate of a Financial Officer of the Borrower and Globant S.A. (Luxembourg), as applicable, (i) certifying as to whether a Default or Event of Default has occurred or is continuing and, if a Default or Event of Default has occurred and is continuing, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Sections 6.1, and (iii) stating whether any change in IFRS or in the application thereof has occurred since the date of the audited financial statements referred to in Section 3.4 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) as soon as available, but in any event within 90 days after the end of each fiscal year of Globant S.A. (Luxembourg), forecasts prepared by management of Globant S.A. (Luxembourg) on a Consolidated basis, in form satisfactory to the Administrative Agent and the Required Lenders, of balance sheets and statements of income or operations and cash flows of Globant S.A. (Luxembourg) and its Subsidiaries on a quarterly basis for the immediately following fiscal year and any projected changes in financial position of Globant S.A. (Luxembourg) and its Subsidiaries and a description of the underlying assumptions applicable thereto, and as soon as available, significant revisions, if any, of such forecast with respect to such fiscal year;

(e) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of any Loan Party or any Subsidiary of the Borrower (including, without limitation, information and certifications regarding whether the Guarantors constitute "eligible contract participants" as defined in the Commodity Exchange Act and the regulations thereunder), or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may reasonably request. The Administrative Agent and each Lender agrees to keep all information obtained by them pursuant to this clause (e) confidential in accordance with Section 9.12. Notwithstanding the foregoing, no Loan Party or Subsidiary thereof shall be required to disclose any information to the extent that (i) such Loan Party or Subsidiary is prohibited from furnishing such other information (x) by Applicable Law or (y) a binding confidentiality obligation owed by such Loan Party or such Subsidiary to any third party (provided that such confidentiality obligations were not entered into in contemplation of the requirements of this Section 5.1(e)), it being understood and agreed that this Section 5.1(e) shall not be applied to augment the periodic reporting obligation of any Loan Party under this

Agreement, (ii) such information constitutes non-financial trade secrets or non-financial proprietary information or (iii) such information is subject to attorney client privilege or constitutes attorney work product; provided that, in each case, the Borrower shall provide notice to the Administrative Agent that such information is being withheld and (other than with respect to clause (iii) above) the Borrower shall use its commercially reasonable efforts to obtain the relevant consents and to communicate, to the extent both feasible and permitted under applicable law or confidentiality obligation, the applicable information.

Section 5.2 Notices of Material Events. The Borrower shall furnish to the Administrative Agent for distribution to each Lender written notice of the following:

(a) promptly, and in any event within three (3) days after any Responsible Officer of the Borrower or any other Loan Party obtains knowledge thereof, the occurrence of any Default or Event of Default;

(b) promptly, and in any event within three (3) days after any Responsible Officer of the Borrower or any other Loan Party obtains knowledge thereof, the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting any Loan Party or any Subsidiary of the Borrower that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect;

(c) promptly upon a Responsible Officer of the Borrower or any Loan Party obtaining knowledge thereof, the occurrence of any ERISA Event (or the maintenance, commencement or, to the knowledge of the Borrower, threat of any claim, action, suit, audit or investigation with respect to any Plan other than routine claims for benefits) that, alone or together with any other ERISA Events that have occurred (and any such claims, actions, suits, audits or investigations with respect to any Plan that are being maintained or have commenced or, to the knowledge of the Borrower, have been threatened), could reasonably be expected to result in liability of the Borrower and its Subsidiaries in an aggregate amount exceeding \$500,000;

(d) promptly upon any Responsible Officer of the Borrower or any other Loan Party obtaining knowledge thereof, any material change in accounting policies or financial reporting practices by any Loan Party or any Subsidiary of the Borrower;

(e) promptly upon any Responsible Officer of the Borrower or any Loan Party obtaining knowledge thereof, any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect, including, without limitation, (i) breach or non-performance of, or any default under, a Contractual Obligation of any Loan Party or any Subsidiary of the Borrower and (ii) the commencement of, or any material development in, any litigation or proceeding affecting any Loan Party or any Subsidiary of the Borrower, including pursuant to any applicable Environmental Laws; and

(f) promptly, and in any event, within three (3) days after any Responsible Officer of the Borrower or any other Loan Party obtains knowledge thereof, the occurrence of any of the actions or events set forth in clauses (h), (i) or (j) of Section 7.1 with respect any Subsidiary of a Loan Party.

Each notice delivered under this Section shall be accompanied by a statement of a Responsible Officer setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

Section 5.3 Existence; Conduct of Business. Each Loan Party shall, and shall cause each other Loan Party and each Material Subsidiary to, do or cause to be done all things necessary to (a) preserve, renew and keep in full force and effect its legal existence and good standing (or its jurisdictional equivalent) under the laws of the jurisdiction of its organization, (b) maintain all requisite power and authority to carry on its business as now conducted, (c) except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, preserve, renew and keep in full force and effect its qualification to do business in, and its good standing (or its jurisdictional equivalent) in, every jurisdiction where such qualification is required, and (d) preserve, renew and keep in full force and effect all other rights, qualifications, licenses, permits, privileges and franchises necessary or desirable to the conduct of its business; provided that, the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution expressly permitted under Section 6.4.

Section 5.4 Payment of Obligations. Each Loan Party shall, and shall cause each Subsidiary of the Borrower to, pay as the same shall become due and payable all of its material obligations and liabilities, including Tax liabilities, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings diligently conducted, and (b) the Borrower or such Loan Party or such Subsidiary of the Borrower has set aside on its books adequate reserves with respect thereto in accordance with IFRS.

Section 5.5 Maintenance of Properties; Insurance. The Borrower shall, and shall cause each other Loan Party to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, (b) make all necessary repairs thereto and renewals and replacements thereof except, in the case of each of clauses (a) and (b), where the failure to do so could not reasonably be expected to have a Material Adverse Effect, and (c) maintain, with financially sound and reputable insurance companies that are not Affiliates of the Borrower, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations. The Borrower shall cause each issuer of an insurance policy to provide the Administrative Agent with an endorsement (i) showing the Administrative Agent as lenders loss payee with respect to each policy of property or casualty insurance and naming the Administrative Agent and each Lender as an additional insured with respect to each policy of liability insurance, (ii) providing that 30 days' notice shall be given to the Administrative Agent prior to any cancellation of, material reduction or change in coverage provided by or other material modification to such policy, and (iii) reasonably acceptable in all other respects to the Administrative Agent.

Section 5.6 Books and Records; Inspection Rights. (a) Each Loan Party shall, and shall cause each Subsidiary of the Borrower to, keep proper books of record and account in which complete and accurate entries, in all material respects, in conformity with IFRS consistently applied are made of all dealings and transactions in relation to its assets, business and activities.

(b) Each Loan Party shall, and shall cause each Subsidiary of the Borrower to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested; provided that, when a Default or Event of Default has occurred or is continuing, the Administrative Agent or any Lender (or any of their respective representatives) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and without advance notice. All such inspections or audits by the Administrative Agent shall be at the Borrower's expense; provided that (i) so long as no Default or Event of Default exists, the Borrower shall not be required to reimburse the Administrative Agent for inspections or audits more frequently than once in each fiscal year and (ii) any such reimbursement shall be limited to reasonable and documented expenses. The Borrower hereby authorizes and instructs its independent accountants to discuss the Borrower's affairs, finances and condition with the Administrative Agent and any Lender, at the Administrative Agent's or such Lender's request; provided, that, unless an Event of Default shall have occurred and is continuing, the Borrower shall have been afforded a reasonable opportunity to be present at any such discussions. The Administrative Agent and each Lender agrees to keep all information obtained by them pursuant to this Section confidential in accordance with Section 9.12. Notwithstanding the foregoing, no Loan Party or Subsidiary thereof shall be required to disclose any information to the extent that (i) such Loan Party or Subsidiary is prohibited from furnishing such other information (x) by Applicable Law or (y) a binding confidentiality obligation owed by such Loan Party or such Subsidiary to any third party (provided that such confidentiality obligations were not entered into in contemplation of the requirements of this Section 5.6), it being understood and agreed that this Section 5.6 shall not be applied to augment the periodic reporting obligation of any Loan Party under this Agreement, (ii) such information constitutes non-financial trade secrets or non-financial proprietary information or (iii) such information is subject to attorney client privilege or constitutes attorney work product; provided that, in each case, the Borrower shall provide notice to the Administrative Agent that such information is being withheld and (other than with respect to clause (iii) above) the Borrower shall use its commercially reasonable efforts to obtain the relevant consents and to communicate, to the extent both feasible and permitted under applicable law or confidentiality obligation, the applicable information.

Section 5.7 Compliance with Laws and Contractual Obligations. Each Loan Party shall, and shall cause each Subsidiary of the Borrower to, comply in all material respects with Applicable Law (including Environmental Laws, Sanctions and Anti-Money Laundering Laws), and perform in all material respects its Contractual Obligations.

Section 5.8 Use of Proceeds. The proceeds of the Loans shall be used only to pay Transaction Costs, for general corporate purposes (including, without limitation, payments in connection with Acquisitions permitted hereunder) and working capital of the Borrower. No part of the proceeds of any Loan shall be used, whether directly or indirectly, for any purpose that entails a violation of any Regulation of the FRB, including Regulations T, U and X.

Section 5.9 Further Assurances.

(a) Each Loan Party shall take such actions as are necessary or as the Administrative Agent or the Required Lenders may reasonably request from time to time, at the Borrower's expense, to carry out more effectively the purposes of the Loan Documents and to ensure that the Secured Obligations are secured by substantially all of the assets of the Borrower and each Material Subsidiary (as well as all Equity Interests of each Domestic Subsidiary and 65% of all Equity Interests of each Foreign Subsidiary that is owned by either the Borrower or a Domestic Subsidiary) and guaranteed by Globant S.A. (Luxembourg), Globant S.A. (Spain) and each Material Subsidiary (including, upon the acquisition or creation thereof, any Material Subsidiary acquired or created after the Effective Date), in each case as the Administrative Agent may determine in its reasonable discretion; provided that, no Loan Party shall be required to (i) take any collateral perfection action other than the filing of Uniform Commercial Code financing statements or (ii) bear the costs or expenses of any collateral perfection other than as described in clause (i), in each case, except following the request of the Administrative Agent following the occurrence and during the continuance of an Event of Default.

(b) Reserved.

(c) If any Material Subsidiary is formed or acquired after the Effective Date, the Borrower shall promptly, and in any event within 30 days (or such longer period as the Administrative Agent may agree) after such newly formed or acquired Material Subsidiary is formed or acquired, notify the Administrative Agent thereof, and cause such Material Subsidiary to become a Guarantor by delivering to the Administrative Agent any applicable Security Documents (in each case in the form contemplated hereby or otherwise acceptable to the Administrative Agent), duly executed and delivered by such Material Subsidiary, pursuant to which such Material Subsidiary agrees to be bound by the terms and provisions thereof, such Security Documents to be accompanied by appropriate corporate resolutions, other corporate documentation and legal opinions in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(d) The Borrower shall furnish to the Administrative Agent at least 30 days' prior written notice of any change (i) in any Loan Party's legal name (as set forth in its certificate of organization or like document), (ii) in the jurisdiction of incorporation or organization of any Loan Party or in the form of its organization, or (iii) in any Loan Party's organizational identification number (if applicable).

(e) Not later than five days after delivery of financial statements pursuant to Section 5.1(a), the Borrower shall deliver to the Administrative Agent a certificate duly executed by a Responsible Officer of the Borrower (i) setting forth any updates to Schedule 3.13 or (ii) confirming that there has been no change in such information since the Effective Date or the most recent certificate delivered pursuant to this Section (as applicable).

Section 5.10 Deposit Accounts. Unless the Administrative Agent otherwise consents in writing, the Borrower shall maintain its primary operating accounts with the Administrative Agent or Citibank, N.A.

Section 5.11 Accuracy of Information. The Borrower will ensure that any information, including financial statements or other documents, prepared by or on behalf of the Borrower and

furnished to the Administrative Agent or the Lenders in connection with any Loan Document or any amendment or modification thereof or waiver thereunder contains no material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading, and the furnishing of such information shall be deemed to be a representation and warranty by the Borrower on the date thereof as to the matters specified in this Section 5.11.

ARTICLE VI

Negative Covenants

So long as any Lender has any Commitment hereunder, any Loans, any Obligations or any other amount payable hereunder or under any other Loan Document has not been paid in full, the Borrower covenants and agrees, for itself and on behalf of its Subsidiaries, with the Administrative Agent and the Lenders that:

Section 6.1 Financial Covenants.

(a) Minimum Asset Coverage Ratio. The ratio of (i) the sum of Accounts and Unrestricted Cash to (ii) the Total Credit Exposure for any Computation Period shall be at least 1.10 to 1.00 for such period.

(b) Maximum Leverage Ratio. The Maximum Leverage Ratio as of the last day of any Computation Period shall not exceed 2.00 to 1.00 for such period.

(c) Capital Expenditures. The Borrower will not, and will not permit any other Loan Party or Subsidiary thereof to, make or commit to make any Capital Expenditure, except for such Capital Expenditures made in the ordinary course of business during any fiscal year of the Loan Parties in an aggregate amount not to exceed 5% of the Consolidated Net Revenue for such period.

(d) Consolidated Net Revenue. The percentage of the Consolidated Net Revenue attributed to the Borrower and its Subsidiaries shall not be less than 60% of the Consolidated Net Revenue.

Section 6.2 Indebtedness. The Borrower shall not, and shall not cause or permit any Subsidiary of the Borrower to, create, incur, assume or permit to exist any Indebtedness, except:

(a) Indebtedness created under the Loan Documents;

(b) Indebtedness existing on the date hereof and set forth in Schedule 6.2, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof, except reasonable fees and expenses incurred in connection with such extension, renewal or replacement, or change any direct or contingent obligor with respect thereto;

(c) Indebtedness of the Borrower to any Subsidiary and of any Subsidiary to the Borrower or any other Subsidiary;

(d) Guarantees by the Borrower of Indebtedness otherwise permitted hereunder of any Subsidiary and by any Subsidiary of Indebtedness otherwise permitted hereunder of the Borrower or any other Subsidiary;

(e) Indebtedness of the Borrower or any Subsidiary of the Borrower incurred to finance the acquisition, construction, repair, development or improvement of any fixed or capital assets, including Capital Lease Obligations and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof except reasonable fees and expenses incurred in connection with such extension, renewal or replacement; provided that, (i) such Indebtedness is incurred prior to or within 90 days after such acquisition or the completion of such construction, repair, development or improvement, and (ii) the aggregate principal amount of Indebtedness permitted by this clause (e) shall not exceed \$750,000 at any time outstanding;

(f) Indebtedness of any Person that becomes a Subsidiary of the Borrower after the date hereof; provided that, (i) such Indebtedness exists at the time such Person becomes a Subsidiary of the Borrower and is not created in contemplation of or in connection with such Person becoming a Subsidiary of the Borrower, and (ii) the aggregate principal amount of Indebtedness permitted by this clause (f) shall not exceed \$750,000 at any time outstanding;

(g) Reserved.

(h) obligations (contingent or otherwise) of the Borrower or any Subsidiary existing or arising under any Hedging Agreement permitted under Section 6.7;

(i) Reserved.

(j) contingent liabilities arising with respect to customary indemnification obligations in favor of sellers, unsecured earn-outs or deferred purchase price obligations, or other similar contingent payment obligations in connection with Acquisitions permitted under Section 6.4 and purchasers in connection with Dispositions permitted under Section 6.5; and

(k) other unsecured Indebtedness in an aggregate principal amount not exceeding \$750,000 at any time outstanding.

Section 6.3 Liens. The Borrower shall not, and shall not cause or permit any of its Subsidiaries to create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Liens pursuant to any Loan Document;

(b) Permitted Encumbrances;

(c) any Lien on any property or asset of the Borrower or any Subsidiary existing on the date hereof and set forth in Schedule 6.3; provided that, (i) such Lien shall not apply to any other property or asset of the Borrower or any Subsidiary, and (ii) such Lien shall

secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof except for reasonable fees and expenses incurred in connection with such extension, renewal or replacement;

(d) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary; provided that, (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Borrower or any Subsidiary, and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof except for reasonable fees and expenses incurred in connection with such extension, renewal or replacement;

(e) Liens on fixed or capital assets acquired, constructed or improved by the Borrower or any Subsidiary; provided that, (i) such security interests secure Indebtedness permitted by clause (e) of Section 6.2, (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement, (iii) the Indebtedness secured thereby does not exceed the cost or fair market value, whichever is lower, of the fixed or capital assets being acquired, constructed or improved, and (iv) such security interests shall not apply to any other property or assets of the Borrower or any Subsidiary; and

(f) Liens and rights of setoff of banks and securities intermediaries in respect of deposit accounts and securities accounts maintained in the ordinary course of business.

Section 6.4 Fundamental Changes. No Loan Party shall, and no Loan Party shall cause or permit any Subsidiary of the Borrower to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of its assets, or all or substantially all of the Equity Interests of any Subsidiary (in each case, whether now owned or hereafter acquired), or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing (i) any Person may merge with and into the Borrower in a transaction in which the Borrower is the surviving corporation, (ii) any Person (other than the Borrower, Globant S.A. (Luxembourg) or Globant S.A. (Spain)) may merge into any Subsidiary in a transaction in which the surviving entity is a Subsidiary, (iii) any Subsidiary may sell, transfer, lease or otherwise dispose of its assets to the Borrower or to a Wholly Owned Subsidiary, (iv) any Subsidiary may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders (v) any merger or consolidation to effect an Investment permitted under Section 6.6 or a Disposition permitted under Section 6.5, and (vi) any Acquisition by a Loan Party or any Wholly Owned Subsidiary where:

- (A) immediately before and after giving effect to such Acquisition, no Default shall exist;
- (B) immediately after giving effect to such Acquisition, the Loan Parties shall be in pro forma compliance with all the financial ratios and restrictions set forth in Section 6.1;
- (C) in the case of the Acquisition of any Person, the board of directors or other applicable managing entity of such Person shall have approved such Acquisition;
- (D) if requested by the Administrative Agent, reasonably prior to such Acquisition, the Administrative Agent shall have received complete executed or conformed copies of each material document, instrument and agreement to be executed in connection with such Acquisition together with all lien search reports and lien release letters and other documents as the Administrative Agent may require to evidence the termination of Liens on the assets or business to be acquired; and
- (E) the provisions of Section 5.9 shall be satisfied;

provided that, any such merger involving a Person that is not a Wholly Owned Subsidiary immediately prior to such merger shall not be permitted unless also permitted by Section 6.6.

Section 6.5 Disposition of Property. The Borrower shall not, and shall not cause or permit any of its Subsidiaries, Dispose of any of its property, whether now owned or hereafter acquired, or, in the case of any Subsidiary, issue or sell any shares of such Subsidiary's Equity Interests to any Person, except:

- (a) the Disposition of obsolete or worn out property in the ordinary course of business;
- (b) the sale of inventory in the ordinary course of business;
- (c) the sale or issuance of any Subsidiary's Equity Interests to the Borrower or any other Loan Party or, in the case of any Subsidiary that is not a Loan Party, to any other Subsidiary that is not a Loan Party;
- (d) any Disposition of assets (i) from one Foreign Subsidiary to another Foreign Subsidiary, (ii) from one Domestic Subsidiary to another Domestic Subsidiary, (iii) from one Loan Party to another Loan Party or (iv) from a Subsidiary to a Loan Party;
- (e) sales of Cash Equivalent Investments in the ordinary course of business and for fair market value; and
- (f) the Disposition of other property not described in clauses (a) through (e) above for not less than fair market value as long as (i) at least 75% of the consideration therefor

consists of cash and Cash Equivalent Investments, and (ii) the aggregate fair market value of such property so disposed of does not exceed \$750,000.

Section 6.6 Investments, Loans, Advances, Guarantees and Acquisitions. The Borrower shall not, and shall not cause or permit any of its Subsidiaries to, purchase, hold or acquire (including pursuant to any merger with any Person that was not a Wholly Owned Subsidiary prior to such merger) any Investment, except:

- (a) Cash Equivalent Investments;
- (b) Investments by the Borrower in the Equity Interests of its Subsidiaries;
- (c) Investments by any Loan Party in any other Loan Party;
- (d) loans or advances made by the Borrower to any Subsidiary and made by any Subsidiary to the Borrower or any other Subsidiary;
- (e) Guarantees constituting Indebtedness permitted by Section 6.2;

(f) (i) advances to officers, directors and employees of the Borrower and Subsidiaries in an aggregate amount not to exceed \$50,000 at any time outstanding, for travel, entertainment, relocation and analogous ordinary business purposes and (ii) Investments consisting of loans to employees to finance the purchase of Equity Interests (other than Disqualified Equity Interests) of the Borrower pursuant to employee stock purchase plans or agreements approved by the Borrower's board of directors in an aggregate principal amount not to exceed \$50,000 outstanding at any time;

- (g) bank deposits in the ordinary course of business;

(h) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(i) non-cash consideration received, to the extent permitted by the Loan Documents, in connection with the Disposition of property permitted by this Agreement;

- (j) Investments to consummate Acquisitions permitted by Section 6.4;
- (k) Hedging Agreements permitted by Section 6.7, to the extent any such Hedging Agreement constitutes an Investment;
- (l) Investments listed on Schedule 6.6 as of the Effective Date; and

(m) Investments existing when a Person becomes a Subsidiary or at the time such Person merges or consolidates with the Borrower or any Subsidiary as permitted under Section 6.4, so long as such Investments were not made in contemplation of such Person becoming a Subsidiary or of such consolidation, merger or Acquisition;

provided that, any Investment that when made complies with the requirements of the definition of the term “Cash Equivalent Investment” may continue to be held notwithstanding that such Investment if made thereafter would not comply with such requirements.

Section 6.7 Hedging Agreements. The Borrower shall not, and shall not cause or permit any of its Subsidiaries to, enter into any Hedging Agreement, except (a) Hedging Agreements entered into to hedge or mitigate risks to which the Borrower or any such Subsidiary has actual exposure (other than those in respect of Equity Interests of the Borrower or any Subsidiary), and (b) Hedging Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate, from floating to fixed rates, or otherwise) with respect to any interest-bearing liability or investment of the Borrower or any such Subsidiary.

Section 6.8 Restricted Payments. The Loan Parties shall not, and shall not cause or permit any of their Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payments in an aggregate amount that exceeds \$10,000,000 during any fiscal year.

Section 6.9 Transactions with Affiliates.

(a) No Loan Party shall, and no Loan Party shall cause or permit any Subsidiary of the Borrower to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (i) in the ordinary course of business on terms and conditions not less favorable to such Loan Party or Subsidiary than could be obtained on an arm’s-length basis from unrelated third parties, (ii) transactions between or among the Loan Parties not involving any other Affiliates, (iii) transactions expressly permitted pursuant to this Agreement, (iv) employment, consulting, severance and other service or benefit related arrangements between the Loan Parties and their respective officers and employees in the ordinary course of business, (v) the payment of ordinary course customary fees, expenses and indemnities to directors, officers, employees and consultants of the Loan Parties, and (vi) any transaction with an Affiliate that, as such, has been expressly approved by either a majority of such Loan Party’s independent directors or a committee of such Loan Party’s directors consisting solely of independent directors, in each case, in accordance with such independent directors’ fiduciary duties in their capacity as such and upon advice from independent counsel.

(b) The Borrower shall not maintain intercompany receivables owed to any of its Affiliates organized under the laws of the Argentine Republic, except to the extent (i) such receivables qualify under Section 6.9(a)(i) above and (ii) the aggregate amount of such payables do not exceed an amount equal to five times the average monthly amount of such Affiliates’ billings for the immediately preceding 12 month period.

Section 6.10 Changes in Nature of Business. No Loan Party or any Subsidiary of a Loan Party shall engage in any business other than businesses of the type conducted by such entity on the date of execution of this Agreement and businesses reasonably incidental or related thereto and any reasonable extension thereof.

Section 6.11 Negative Pledges; Restrictive Agreements. The Borrower shall not, and shall not cause or permit any of its Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Borrower or any such Subsidiary to create, incur or permit to exist any Lien upon any of its property, or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to any shares of its Equity Interests or to make or repay loans or advances to the Borrower or any such Subsidiary or to Guarantee Indebtedness of the Borrower or any such Subsidiary or transfer any of its properties to any Loan Party; provided that, (i) the foregoing shall not apply to restrictions and conditions imposed by Applicable Law or by the Loan Documents, (ii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of any asset or a Subsidiary of the Borrower pending such sale; provided that, such restrictions and conditions apply only to the asset or the Subsidiary of the Borrower that is to be sold and such sale is permitted hereunder, and (iii) clause (a) of the foregoing shall not apply to customary provisions in leases and other contracts restricting the assignment thereof.

Section 6.12 Restriction of Amendments to Certain Documents. No Loan Party shall amend such Person's articles or certificates of organization or formation, operating agreement or other agreement, instrument or document affecting such Person's organization, management or governance, in each case, in any respect which is materially adverse to the Lenders.

Section 6.13 Changes in Fiscal Periods. No Loan Party shall change its fiscal year to end on a day other than December 31 or change its method of determining fiscal quarters.

Section 6.14 Reserved.

Section 6.15 Sanctions; Anti-Corruption. (a) The Borrower will not, directly or indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any Loan Party or any Subsidiary of a Loan Party, joint venture partner or other Person, (i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions, or (ii) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the Loans, whether as underwriter, advisor, lender, investor or otherwise)

(b) The Borrower will not, directly or indirectly use the proceeds of the Loans (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of the UK Bribery Act, the FCPA or any other applicable anti-corruption law or otherwise, or (ii) for any other payment that could constitute a violation of any applicable anti-bribery law or anti-corruption law (including, without limitation the UK Bribery Act or the FCPA).

ARTICLE VII

Events of Default

Section 7.1 Events of Default. If any of the following events ("Events of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof, by reason of acceleration or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Section) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three (3) Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Borrower or any other Loan Party in or in connection with this Agreement, any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement, any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, shall prove to have been incorrect or misleading in any material respect (except for representations and warranties that are qualified by materiality, which shall not be incorrect or misleading in any respect) when made or deemed made;

(d) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in Section 5.1(a), (b), and (c), Section 5.2, Section 5.3 (with respect to the existence of any Loan Party), Section 5.6(b), Section 5.8 or Section 5.9 or in Article VI;

(e) the Borrower or any other Loan Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Loan Document (other than those specified in clause(a), (b) or (d) of this Section), and such failure shall continue unremedied for a period of 30 days after the earlier of (x) notice thereof from the Administrative Agent to the Borrower (which notice will be given at the request of any Lender), and (y) the date a Responsible Officer of the Borrower or such other Loan Party becomes aware of such failure;

(f) any Loan Party shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable, which failure shall continue beyond any applicable cure period specified in the agreement or instrument governing such Material Indebtedness;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity or (in the case of any Material Indebtedness constituting a Guarantee) to become payable; provided that, this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness if such voluntary sale or transfer is permitted under this Agreement;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of any Loan Party or

any Subsidiary of the Borrower or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Loan Party or any Subsidiary of the Borrower or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) any Loan Party or any Subsidiary of the Borrower shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Section, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Loan Party or any Subsidiary of the Borrower or for a substantial part of any of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take any action for the purpose of effecting any of the foregoing;

(j) any Loan Party or any Subsidiary of the Borrower shall admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of \$1,000,000 shall be rendered against a Loan Party any Subsidiary or any combination thereof (not paid or covered by insurance) and the same shall remain undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of a Loan Party or any Subsidiary to enforce any such judgment;

(l) an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(m) any provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, shall cease to be in full force and effect; or any Loan Party or any other Person acting on any Loan Party's behalf shall contest in any manner the validity or enforceability of any material provision of any Loan Document in writing; or any Loan Party shall deny that it has any or further liability or obligation under any Loan Document, or shall purport to revoke, terminate or rescind any provision of any Loan Document;

(n) a Change in Control shall occur; or

(o) any of the actions or events set forth in clauses (h), (i) or (j) of this Section 7.1 shall occur with respect to one or more Subsidiaries of any Loan Party, and such action or event could reasonably be expected to (after giving effect to any applicable threshold or grace period), individually or in the aggregate, result in a Material Adverse Effect;

then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i) of this Section), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments (if not theretofore terminated) shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other Obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in clause (h) or (i) of this Section, the Commitments (if not theretofore terminated) shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other Obligations of the Borrower and the other Loan Parties accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

Section 7.2 Application of Funds. After the exercise of remedies provided for in Section 7.1 (or after the Loans have automatically become immediately due and payable), any amounts received on account of the Secured Obligations shall be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Secured Obligations constituting fees, indemnities, expenses and other amounts (other than principal and interest, but including legal expenses payable under Section 9.3 and amounts payable under Article II) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Secured Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders (including legal expenses payable under Section 9.3 and amounts payable under Article II), ratably among them in proportion to the amounts described in this clause Second payable to them;

Third, to payment of that portion of the Secured Obligations constituting accrued and unpaid interest on the Loans, ratably among the holders of such Secured Obligations in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Secured Obligations constituting unpaid principal of the Loans, the termination value under Lender Provided Hedging Agreements and Lender Provided Financial Service Products, ratably among the holders of such Secured Obligations in proportion to the respective amounts described in this clause Fourth held by them; provided that, Excluded Swap Obligations with respect to any Guarantor shall not be paid with amounts received from such Guarantor or its assets, but appropriate adjustments shall be

made with respect to payments from other Loan Parties to preserve the allocation to Secured Obligations otherwise set forth above in this Section;

Fifth, to the payment of all other Secured Obligations of the Loan Parties that are due and payable to the Administrative Agent and the other Secured Parties on such date, ratably based upon the respective aggregate amounts of all such Secured Obligations owing to the Administrative Agent and the other Secured Parties on such date; and

Last, the balance, if any, after all of the Secured Obligations have been paid in full, to the Borrower or as otherwise required by Applicable Law.

Notwithstanding the foregoing, Excluded Swap Obligations with respect to any Guarantor shall not be paid with amounts received from such Guarantor or its assets, but appropriate adjustments shall be made with respect to payments from other Loan Parties to preserve the allocation to Obligations otherwise set forth above in this Section.

ARTICLE VIII

The Administrative Agent

Section 8.1 Appointment and Authority.

(a) Each of the Lenders hereby irrevocably appoints HSBC to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders, and neither the Borrower nor any other Loan Party shall have any rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligation arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) Each Lender hereby authorizes the Administrative Agent to (a) execute, deliver and perform as a collateral agent under this Agreement and each other Loan Document to which the Administrative Agent is or is intended to be a party, (b) exercise and enforce any and all rights, powers and remedies provided to the Administrative Agent or any Lender by this Agreement and each other Loan Document to which the Administrative Agent is or is intended to be a party, any applicable law, or any other document, instrument, or agreement, and (c) take any other action under this Agreement and each other Loan Document to which the Administrative Agent is or is intended to be a party which Administrative Agent in its sole discretion shall deem advisable and in the best interests of the Lenders. Notwithstanding the foregoing, the Administrative Agent shall not commence an enforcement action (as such term is defined in the Loan Documents) except at the direction of the Required Lenders; provided that, if

the Administrative Agent is prohibited by any court order or applicable law from commencing any enforcement action, the Administrative Agent shall not be obligated to commence such enforcement action until such authority is obtained. All decisions with respect to the type of enforcement action which is to be commenced shall be made by, and all actions with respect to prosecution and settlement of such enforcement action shall require the direction of the Required Lenders, and the Administrative Agent shall not be required to take any enforcement action in the absence of any such direction. The Administrative Agent will use its commercially reasonable efforts to pursue diligently the prosecution of any enforcement action, which the Administrative Agent is so authorized or directed to initiate pursuant to this Agreement. The Administrative Agent shall make available to the Lenders copies of all notices it receives in connection with the Collateral or any enforcement action promptly upon receipt. Subject to the terms of this Agreement, the Administrative Agent agrees to administer and enforce this Agreement and the other Security Documents to which it is a party and to foreclose upon, collect and dispose of the Collateral and to apply the proceeds therefrom, for the benefit of the Secured Parties, as provided in this Agreement, and otherwise to perform its duties and obligations as a "collateral agent" hereunder in accordance with the terms hereof.

Section 8.2 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders. The obligations of each Lender under the Loan Documents are several and not joint. Failure by any Lender to perform its obligations under the Loan Documents does not affect the obligations of any other Lender under the Loan Documents.

Section 8.3 Exculpatory Provisions.

(a) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary power, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that, the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its

counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may affect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law, and the Administrative Agent shall in all cases be fully justified in failing or refusing to act hereunder or under any other Loan Document unless it first receives further assurances of its indemnification from the Lenders that it may require, including prepayment of any related expenses and any other protection it requires against any and all costs, expenses and liabilities it may incur in taking or continuing to take any such action; in no event shall the Administrative Agent be required to expend or risk any of its own funds or otherwise incur any liability, financial or otherwise, in the performance of its duties hereunder or in the exercise of any of its rights or powers;

(iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity; and

(iv) shall not incur any liability for not performing any act of fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Administrative Agent (including but not limited to any act or provision of any present or future law or regulation or Governmental Authority, any act of God or war, civil unrest, local or national disturbance or disaster, any act of terrorism or the unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility).

(b) Neither the Administrative Agent nor any of its directors, officers, employees or agents shall not be liable for any action taken or not taken by it (i) with the consent or at the request or direction of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 9.2 and Section 7.1), which consent or direction to the Administrative Agent may solicit at any time, or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent in writing by the Borrower, a Lender referring to this Agreement, describing such Default and stating that such notice is a "Notice of Default" or "Notice of Event of Default". The Administrative Agent shall take such action with respect to such Default as may be directed by the Required Lenders in accordance with the terms of this Agreement; provided that unless and until the Administrative Agent has received any such direction from the Required Lenders, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to any such Default as it shall deem advisable or in the best interest of the Lenders.

(c) The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any covenant, agreement or other term or condition set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

(d) Nothing in this Agreement shall require the Administrative Agent or any of its Related Parties to carry out any “know your customer” or other checks in relation to any Person on behalf of any Lender and each Lender confirms to the Administrative Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Administrative Agent or any of its Related Parties.

(e) The Administrative Agent shall be entitled to take any action or refuse to take any action which the Administrative Agent regards as necessary for the Administrative Agent to comply with any Applicable Law, regulation or court order or the rules, operating procedures or market practice of any relevant stock exchange or other market or clearing system.

Section 8.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, at the expense of the Borrower and/or the Lenders, as applicable, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 8.5 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the facilities as well as activities as Administrative Agent. The Administrative

Agent shall not be responsible for the negligence or misconduct of any sub-agent except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agent.

Section 8.6 Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above; provided that, in no event shall any such successor Administrative Agent be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by Applicable Law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any Collateral held by the Administrative Agent on behalf of the Lenders under any Loan Document, the retiring or removed Administrative Agent shall continue to hold such Collateral until such time as a successor Administrative Agent is appointed), and (ii) except for any indemnity payments owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent (other than any rights to indemnity payments owed to the retiring or removed Administrative Agent), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal

hereunder and under the other Loan Documents, the provisions of this Article and Section 9.3 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any action taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

Section 8.7 Non-Reliance on Administrative Agent and Other Lenders. Each Lender acknowledges and agrees that the extensions of credit made hereunder are commercial loans and not investments in a business enterprise or securities. Each Lender represents that it is engaged in making, acquiring or holding commercial loans in the ordinary course of its business and that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning the Borrower and its Affiliates) as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Section 8.8 No Other Duties, etc.

Anything herein to the contrary notwithstanding, none of the Bookrunners or Arrangers listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any other Loan Document, except in its capacity, as applicable, as the Administrative Agent or a Lender hereunder.

Section 8.9 Enforcement. Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against any Loan Party shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.1 for the benefit of all the Lenders; provided that, the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) any Lender from enforcing its right to payment when due of the principal of and interest on its Loans, fees and other amounts owing to such Lender under the Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 9.8 (subject to the terms of Section 2.18), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and provided further that, if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to this Article VIII, and (ii) in addition to the matters set forth in clauses (b), (c), (d) and (e) of the preceding proviso and subject to Section 2.18, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

Section 8.10 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding under any other Applicable Law relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Sections 2.11 and 9.3) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.11 and 9.3.

Section 8.11 Collateral and Guaranty Matters. (a) The Lenders irrevocably authorize the Administrative Agent, at its option and in its sole and absolute discretion,

(i) to release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (v) upon termination of all Commitments and payment in full of all Obligations (other than contingent indemnification obligations), (w) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted under the Loan Documents, (x) subject to Section 9.2, if approved, authorized or ratified in writing by the Required Lenders, (y) relating to Collateral consisting of a debt instrument if the Indebtedness evidenced thereby has been paid in full, or (z) where such release (A) corrects manifest error in the Administrative Agent's sole and absolute discretion or (B) is expressly permitted under the Loan Documents;

(ii) to subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 6.3(e) or to any Permitted Encumbrance; and

(iii) to release any Guarantor from its obligations under the Loan Documents if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Loan Documents pursuant to this Section 8.11.

(b) The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of any Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor, maintain or insure any portion of the Collateral.

(c) The Administrative Agent may refrain from enforcing the Collateral unless instructed by the Required Lenders. The Administrative Agent may, subject to any contrary instructions from the Required Lenders, cease enforcement at any time.

Section 8.12 Lender Provided Hedging Agreements and Lender Provided Financial Service Products. No holder of Secured Obligations in respect of Lender Provided Hedging Agreements or Lender Provided Financial Service Products shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article VIII to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, such Secured Obligations unless the Administrative Agent has received written notice of such Secured Obligations, together with such supporting documentation as the Administrative Agent may reasonably request, from the applicable Lender or Affiliate of a Lender.

Section 8.13 Merger. Any entity into which the Administrative Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidations which the Administrative Agent in its individual capacity may be party, or any corporation to which substantially all of the corporate trust or agency business of the Administrative Agent in its individual capacity may be transferred, shall be the Administrative Agent under this Agreement without further action.

ARTICLE IX

Miscellaneous

Section 9.1 Notices; Effectiveness; Electronic Communication.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in

clause (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail, sent by teletype or electronic communication as follows:

(i) if to the Borrower or any other Loan Party, to it at 875 Howard Street, Suite 320, San Francisco, CA 94103, Attention: General Counsel /Chief Financial Officer / Treasurer (Telephone No. (877) 215-5230 ext. 18083/19763; E-mail: alejandro.scannapieco@globant.com with copies to matias.corvalan@globant.com and gcoffice@globant.com), with a copy to Sistemas Globales S.A., Ing. Butty 240, Laminar Tower, 9th Floor, Ciudad Autónoma de Buenos Aires, 1001, Argentina, Attention: General Counsel /Chief Financial Officer / Treasurer;

(ii) if to the Administrative Agent, to HSBC Bank USA, N.A. at HSBC Bank USA, National Association, Corporate Trust Loan Agency, 425 5th Avenue (8E6), New York, NY 10018 (Teletype No. (917) 229-6659; Telephone No. (212) 535-7253; E-mail: ctlaney.loanagency@us.hsbc.com); and

(iii) if to a Lender, to it at its address (or teletype number or e-mail address) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by teletype shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications, to the extent provided in clause (b) below, shall be effective as provided in said clause (b).

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided that, the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may, in its sole and absolute discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that, approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement) and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, e-mail or other communication is not sent during the normal business hours of the recipient, such notice

or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) Change of Address, etc. Any party hereto may change its address, telecopy number or e-mail address for notices and other communications hereunder by notice to the other parties hereto.

(d) Platform.

(i) The Borrower (on behalf of itself and each other Loan Party) agrees that the Administrative Agent may, but shall not be obligated to, make the Communications (as defined below) (including of materials and/or information provided by or on behalf of the Borrower hereunder (collectively, the "Borrower Materials")) available to the other Lenders by posting the Communications on the Platform.

(ii) The Platform is provided "as is" and "as available". The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower or the other Loan Parties, any Lender or any other Person or entity for damages of any kind, including direct or indirect, special, incidental, consequential, punitive or exemplary damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's, any other Loan Party's or the Administrative Agent's transmission of communications through the Platform. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of the Borrower or any other Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed to the Administrative Agent, any Lender by means of electronic communications pursuant to this Section, including through the Platform.

Section 9.2 Waivers; Amendments.

(a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by clause (b) of this Section, and then such waiver or consent shall be effective only in the specific

instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time.

(b) No Loan Document nor any provision thereof may be waived, amended or modified except, in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or, in the case of any other Loan Document, by an agreement in writing entered into with the consent of the Required Lenders; provided that, no such agreement shall:

(i) increase the Commitment of any Lender without the written consent of such Lender (it being understood and agreed that a waiver of any condition precedent set forth in Section 4.1 or the waiver of any Default, Event of Default, mandatory prepayment or mandatory reduction of the Commitments shall not constitute an increase of any Commitment of any Lender);

(ii) reduce the principal amount of any Loan or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby (it being understood and agreed that a waiver of an increase to the Applicable Rate pursuant to Section 2.12(c) shall require the consent of only the Required Lenders);

(iii) postpone the scheduled date of payment (it being understood and agreed that a waiver of a Default shall require the consent of only the Required Lenders) of the principal amount of any Loan, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly affected thereby;

(iv) change Sections 2.18(b), Section 2.18(c), and Section 7.2 in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender;

(v) release any Guarantor from a Guaranty (other than in connection with the transactions permitted under Section 6.4 or the sale of such Guarantor in a transaction permitted under Section 6.5) or release all or substantially all of the Collateral in any transaction or series of related transactions (other than as authorized in Section 8.11 or as otherwise specifically permitted or contemplated in this Agreement or the Security Agreement), in each case without the written consent of each Lender;

(vi) change any provision of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; or

(vii) amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent.

Notwithstanding anything herein to the contrary, the Administrative Agent may, with the consent of the Borrower only, amend, modify or supplement this Agreement or any other Loan Document to cure any ambiguity, omission, defect or inconsistency.

Section 9.3 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, which shall be limited to one primary counsel and, to the extent appropriate, one local counsel in each relevant jurisdiction) in connection with (A) the syndication of the facilities, the preparation, negotiation, execution, delivery, recordation and filing (including all recording and filing fees, and all mortgage, intangible and other taxes) (it being understood and agreed that the Borrower shall not be responsible for the payment of any such fees, charges or disbursements incurred by any Lender or counsel for such Lender other than HSBC in its role as Administrative Agent) and (B) administration of this Agreement and the other Loan Documents, or any amendment, modification or waiver of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, any Lender (including the fees, charges and disbursements of any counsel for the Administrative Agent or any Lender, which shall be limited to one primary counsel for the Administrative Agent and the Lenders (taken as a whole), one local counsel (in each reasonably necessary jurisdiction) and one special counsel (for each reasonably necessary specialty) and, in the case of a conflict of interest of any of the foregoing counsel, one additional local and/or special counsel (as applicable)), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made hereunder, including all such reasonable and documented out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and each Related Party of each of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Borrower or any other Loan Party) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any Subsidiary (except to the extent such presence or release is (A) attributable solely to the

gross negligence or willful misconduct of any Lender (as determined by a court of competent jurisdiction by a final, nonappealable judgment) and (B) occurred following such Lender's taking possession of the property due to (x) the foreclosure on such property by such Lender or (y) such Lender having become successor-in-interest to any Loan Party with respect to such property), or any Environmental Liability related in any way to the Borrower or any Subsidiary, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that, such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to (A) have resulted (i) from the gross negligence or willful misconduct of such Indemnitee or (ii) a claim brought by the Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim, or (B) have arisen out of any dispute that does not involve an act or omission of any Loan Party or any Subsidiary and that is brought by an Indemnitee against another Indemnitee; provided, further, that the Borrower shall only be responsible for the fees, charges and disbursements of one primary counsel for the Administrative Agent and the Lenders (taken as a whole), one local counsel (in each reasonably necessary jurisdiction) and one special counsel (for each reasonably necessary specialty) and, in the case of a conflict of interest of any of the foregoing counsel, one additional local and/or special counsel (as applicable). This Section 9.3(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, liabilities and related expenses arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under clause (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof) or any Related Party of the Administrative Agent, each Lender severally agrees (i) to pay with respect to clause (a) of this Section, and (ii) indemnify with respect to clause (b) of this Section, Administrative Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) in its capacity as such, or against any Related Party acting for the Administrative Agent (or any such sub-agent) in connection with such capacity. The obligations of the Lenders under this clause (c) are subject to the provisions of Section 2.18(e).

(d) Waiver of Consequential Damages, etc. To the fullest extent permitted by Applicable Law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, and in no event shall any Indemnitee be liable, on any theory of liability, for loss of profits, goodwill, reputation, business opportunity or for indirect, special, punitive, consequential or exemplary damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby or thereby, any Loan, or

the use of the proceeds thereof, whether or not the Indemnitee has been advised of the possibility of damages. No Indemnitee referred to in clause (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable not later than 10 days after demand therefor.

(f) Survival. Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the other Obligations.

Section 9.4 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of clause (b) of this Section, (ii) by way of participation in accordance with the provisions of clause (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of clause (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in clause (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it); provided that, any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in clause (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the

date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if a "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$5,000,000, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by clause (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that, the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; provided that, the Administrative Agent may, in its sole and absolute discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made to (A) the Borrower or any of the Borrower's Affiliates or Subsidiaries, or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural Person (or a holding company, investment vehicle or trust for,

or owned and operated for the primary benefit of, a natural Person or relative(s) thereof).

(vii) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this clause, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to clause (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.14 and 9.3 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided that, except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this clause shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with clause (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at its offices at 452 Fifth Avenue, New York, NY 10018 a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is

recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice. Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in clause (b) of this Section and any written consent to such assignment required by clause (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that, if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to this Agreement, the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this clause (c).

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person, or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that, (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Administrative Agent and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 2.17(e) with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that, such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.2(b) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.14, 2.16 and 2.17 (subject to the requirements and limitations therein, including the requirements under Section 2.17(g) and Section 2.17(h) (it being understood that the documentation required under Section 2.17(g) and Section 2.17(h) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section; provided that, such Participant (A) agrees to be subject to the provisions of Section 2.19 as if it were an assignee under clause (b) of this Section, and (B) shall not be entitled to receive any greater payment under Section 2.14 or Section 2.17, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request

and expense, to use reasonable efforts to cooperate with the Borrower to effect the provisions of Section 2.19(b) with respect to any Participant. To the extent permitted by Applicable Law, each Participant also shall be entitled to the benefits of Section 9.8 as though it were a Lender; provided that, such Participant agrees to be subject to Section 2.18(c) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that, no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that, no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 9.5 Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect so long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under any Loan Document is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Sections 2.14, 2.16, 2.17, 2.18 and 9.3, and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Obligations, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

Section 9.6 Counterparts; Integration; Effectiveness; Electronic Execution.

(a) Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, and any separate letter agreements

with respect to fees payable to the Administrative Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.1, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 9.7 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 9.8 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender or any such Affiliate, to or for the credit or the account of the Borrower or any other Loan Party against any and all of the obligations of the Borrower or such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or its respective Affiliates, irrespective of whether or not such Lender or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such Loan Party may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided that, in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.21 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or its respective Affiliates may have. Each Lender agrees to notify the Borrower and the

Administrative Agent promptly after any such setoff and application; provided that, the failure to give such notice shall not affect the validity of such setoff and application.

Section 9.9 Governing Law; Jurisdiction; Etc.

(a) Governing Law. This Agreement and the other Loan Documents and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the law of the State of New York, without regard to conflicts of law principals except Title 14 of Article 5 of the New York General Obligations law.

(b) Jurisdiction. The Borrower irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender or any Related Party of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court for the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto may be heard and determined in such New York State court or, to the fullest extent permitted by Applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Applicable Law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrower, any other Loan Party or their properties in the courts of any jurisdiction.

(c) Waiver of Venue. The Borrower irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in clause (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 9.1. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

Section 9.10 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE

LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 9.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 9.12 Treatment of Certain Information; Confidentiality.

Each of the Administrative Agent and the Lenders and agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed: (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by Applicable Law or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedy hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative, credit insurance or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, (g) with the consent of the Borrower, or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Administrative Agent, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower or any Subsidiary. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry (including league table providers) and service providers to the Administrative Agent and the Lenders in connection with the administration of this Agreement, the other Loan Documents, and the Commitments.

For purposes of this Article, "Information" means all information received from the Borrower or any Subsidiary relating to the Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative

Agent, any Lender on a nonconfidential basis prior to disclosure by the Borrower or any Subsidiary; provided that, in the case of information received from the Borrower or any Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Section 9.13 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under Applicable Law (collectively the “Charges”), shall exceed the maximum lawful rate (the “Maximum Rate”) which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with Applicable Law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

Section 9.14 PATRIOT Act. Each Lender that is subject to the requirements of the PATRIOT Act hereby notifies the Borrower that pursuant to the requirements of the PATRIOT Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the PATRIOT Act.

Section 9.15 Acknowledgment and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and
- (b) the effects of any Bail-in Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred

on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

Section 9.16 Judgment Currency. This is an international loan transaction in which the specification of Dollars and the payment in New York is of the essence, and the obligations of the Borrower and each other Loan Party under this Agreement and each of the other Loan Documents to make payments in a specified currency (the "Contractual Currency") shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than the Contractual Currency, except to the extent such tender or recovery results in the effective receipt by the Recipient to which payment is owed, acting in good faith and using commercially reasonable procedures in converting the currency so tendered into the Contractual Currency, of the full amount of the Contractual Currency of the amounts payable to such Recipient under this Agreement. If, for the purpose of obtaining or enforcing judgment against any Loan Party in any court or in any jurisdiction, it becomes necessary to convert into or from any currency other than the Contractual Currency (such other currency being herein referred to as the "Judgment Currency") an amount due in the Contractual Currency, the conversion shall be made, at the rate of exchange at which, in accordance normal banking procedures, the Recipient could purchase such Contractual Currency at the principal office of the Recipient in New York, New York with the Judgment Currency on the Business Day next preceding the day on which such judgment becomes effective. The obligation of the Borrower and each other Loan Party in respect of any sum due from it to the Recipient hereunder or under any other Loan Document shall, notwithstanding the rate of exchange actually applied in rendering such judgment, be discharged only to the extent that, on the Business Day following receipt by the Recipient of any sum adjudged to be due hereunder in the Judgment Currency the Recipient may, in accordance with normal banking procedures, purchase and transfer the Contractual Currency to New York, New York with the amount of the Judgment Currency so adjudged to be due, and the Borrower and each other Loan Party hereby, as a separate obligation and notwithstanding any such judgment, agrees to indemnify the Recipient against, and to pay the Recipient, on demand, in the Contractual Currency, the amount (if any) by which the sum originally due to the Recipient in the Contractual Currency hereunder exceeds the amount of the Contractual Currency so purchased and transferred.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Credit Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

GLOBANT, LLC,
as Borrower

By /s/ Alejandro Scannapieco
Name: Alejandro Scannapieco
Title: Chief Financial Officer

[Signature Page – Credit Agreement]

HSBC BANK USA, NATIONAL ASSOCIATION,
as Administrative Agent

By /s/ Vanessa Printz
Name: Vanessa Printz
Title: Senior Vice President 19402
Commercial Banking
HSBCBank USA, N.A.

[Signature Page – Credit Agreement]

HSBC BANK USA, NATIONAL ASSOCIATION,
as Lender

By /s/ Vanessa Printz
Name: Vanessa Printz
Title: Senior Vice President 19402
Commercial Banking
HSBCBank USA, N.A.

[Signature Page – Credit Agreement]

CITIBANK, N.A.,
as Lender

By /s/ Jaewon Hwang
Name: Jaewon Hwang
Title: Director

[Signature Page – Credit Agreement]

Schedule 2.1

Commitments

<u>Lender</u>	<u>Commitment</u>	<u>Percentage</u>
HSBC Bank USA, N.A.	\$ 20,000,000	50%
Citibank, N.A.	\$ 20,000,000	50%
Total:	\$ 40,000,000	100%

Schedule 3.6

Disclosed Matters

1. Globant, LLC is currently under examination by the Internal Revenue Service (“IRS”) regarding payroll and employment taxes primarily in connection with services performed by employees of certain of our subsidiaries in the United States from 2013 to 2015. Such examination is currently in progress and, at this stage, we cannot make any predictions about the final outcome of this matter. Management estimates that the amount of possible loss as of June 30, 2017 could range between \$300,000 and \$500,000.
-

Schedule 3.11

Insurance

[see attached]



GLOBAL01 OP ID: LM

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/20/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Sweet & Baker Ins. Brokers Inc 44 Second Street San Francisco, CA 94105-3440 Richard Weingart (415)512-2122	CONTACT NAME: Sweet and Baker Insurance Brok
	PHONE (A/C, No, Ext): 415-512-2100 FAX (A/C, No): 415-512-1115
E-MAIL ADDRESS:	
INSURER(S) AFFORDING COVERAGE	
INSURER A : The Hartford	NAIC # 11000
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED **Globant, LLC**
875 Howard Street
San Francisco, CA 94103

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X	57UUNZM9229	02/06/2017	02/06/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/POP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		57UUNZM9229	02/06/2017	02/06/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000		57RHUZM8888	02/06/2017	02/06/2018	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A	57WEZU8722	03/22/2017	03/22/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Property Special Form, RC		57UUNZM9229 DED \$500	02/06/2017	02/06/2018	BPP/TIB 2,000,000 BI ALS

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
10 days notice of cancellation for non-payment of premium and 30 days notice for all other cancellations. HSBC Bank USA, N.A. as Administrative Agent, and its successors and assigns are named additional insured respects the written contract with the named insured. * Attn: Insurance Department

CERTIFICATE HOLDER HSBC Bank USA, N.A., as Administrative Agent and its successors and assigns *P O Box 1165 Buffalo, NY 14203	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE Lou Ann McKenzie 415-512-2133

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES

This endorsement forms a part of the Policy numbered below:

POLICY NUMBER: 57 UUN ZM9229 K2

CHANGE NUMBER: 004

Policy Change Effective Date: 07/17/17

Named Insured: GLOBAL LLC

Producer's Name: SWEET & BAKER INS BROKE INC

Pro Rata Factor: .797



Description of Change(s):

ANY CHANGES IN YOUR PREMIUM WILL BE REFLECTED IN YOUR NEXT BILLING STATEMENT. IF YOU ARE ENROLLED IN REPETITIVE EFT DRAWS FROM YOUR BANK ACCOUNT, CHANGES IN PREMIUM WILL CHANGE FUTURE DRAW AMOUNTS.

THIS IS NOT A BILL.

NO PREMIUM DUE AT POLICY CHANGE EFFECTIVE DATE.

PROPERTY CHOICE

HARTFORD FIRE INSURANCE COMPANY

PROPERTY CHOICE COVERAGE PART IS CHANGED

PREMISES 1 IS REVISED

LOSS PAYEE(S):

LENDER'S LOSS PAYABLE IS ADDED:
SEE LOSS PAYABLE PROVISIONS

FORM NUMBERS OF COVERAGE PARTS AND ENDORSEMENTS ADDED TO THIS POLICY AT ENDORSEMENT ISSUE: SEE ABOVE FOR COMPANY NAME

IH12011185 LENDERS LOSS PAYEE(S)

Countersigned by
(Where required by law)

Suean S. Castaneda
Authorized Representative

07/19/17
Date

Form HM 12 01 01 07T

POLICY NUMBER: 57 UUN ZM9229
CHANGE NUMBER: 004



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

LENDERS LOSS PAYEE(S)

PROPERTY CHOICE COVERAGE PART

HSBC BANK USA, NA
AS ADMINISTRATIVE AGENT ITS SUCCESSORS AND/OR ASSIGNS
P.O. BOX 1165
BUFFALO, NY 14203
RE: LOC 001 875 HOWARD ST SAN FRANCISCO, CA 94103

Form IH 12 01 11 85 SEQ.NO. 01 Printed in U.S.A.

Schedule 3.13

Subsidiaries; Equity Interests

Company	Country of incorporation	Shareholders
Globant S.A. (sociedad unipersonal)	Spain	100% Globant S.A. (Luxembourg)
Software Product Creation S.L.	Spain	100% Globant S.A. (Spain)
Sistemas Colombia S.A.S.	Colombia	99.99% Globant S.A. (Spain) 00.01% Software Product Creation SL
Globant, LLC	USA	100% Globant S.A. (Spain)
Ratio Cypress LLC	USA	100% Globant, LLC
L4 Mobile LLC	USA	100% Globant, LLC
Point Source LLC	USA	100% Globant, LLC
Sistemas Globales Uruguay S.A.	Uruguay	100% Globant S.A. (Spain)
Difier S.A.	Uruguay	100% Globant S.A. (Spain)
Sistemas UK Ltd.	England & Wales	100% Globant S.A. (Spain)
We Are London Ltd.	England & Wales	100% Globant S.A. (Spain)
Huddle Investment LLP	England & Wales	93.125% Globant S.A. (Luxembourg) 06.875% Globant S.A. (Spain)
Sistemas Globales Chile – Asesorías Limitada	Chile	95.00% Globant S.A. (Spain) 05.00% Software Product Creation S.L.
Global Systems Outsourcing S. de R.L. de C.V.	Mexico	99.99% Globant S.A. (Spain) 00.01% IAFH Global S.A.
IAFH Global S.A.	Argentina	99.9989% Globant S.A. (Spain) 00.0011% Software Product Creation S.L.
Sistemas Globales S.A.	Argentina	99.9978% Globant S.A. (Spain) 00.0022% Software Product Creation S.L.
Huddle Group S.A.	Argentina	98.60% Globant S.A. (Spain) 01.40% Sistemas Globales Chile - Asesorías Ltda.
Globers S.A.	Argentina	95.00% IAFH Global S.A. 05.00% Sistemas Globales S.A.
Dynaflows S.A.	Argentina	66.73% Sistemas Globales S.A.
Globant Brasil Consultoria Ltda.	Brazil	99.99% Globant S.A. (Spain) 00.01% Software Product Creation SL
Globant Peru S.A.C.	Peru	99.99% Globant S.A. (Spain) 00.01% Software Product Creation S.L.
Globant Canada Corp.	Canada	100% Globant S.A. (Spain)
Globant India Pvt. Ltd.	India	89.28% Globant S.A. (Spain)

Schedule 3.20

Labor Matters

None.

Schedule 6.2

Existing Indebtedness

Globant, LLC

Standby Letter of Credit in favor of 251 PAS LLC, in the aggregate principal amount of \$287,100.00

Schedule 6.3

Existing Liens

None.

Schedule 6.6

Existing Investments

None.

EXHIBIT A

[FORM OF]

NOTE

[_____]

[_____], 2017

FOR VALUE RECEIVED, the undersigned, GLOBANT, LLC (the "Borrower"), hereby promises to pay to the order of [_____] (together with its successors and permitted assigns, the "Lender"), on the Maturity Date, the principal sum of [_____] DOLLARS (\$[_____] or, if less, the aggregate unpaid principal amount of all Loans, made by the Lender to the Borrower pursuant to the Credit Agreement, dated as of August 3, 2017, among the Borrower, the Lenders party thereto, and HSBC Bank USA, N.A., as Administrative Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). The Borrower further promises to pay the unpaid principal amount, and interest on the unpaid principal amount, of the Loans evidenced hereby from time to time at the rates, on the dates, and otherwise as provided in the Credit Agreement.

Payments of both principal and interest are to be made without setoff or counterclaim in Dollars in same day or immediately available funds to the account designated by the Administrative Agent pursuant to the Credit Agreement.

The Lender is authorized to record the amount and the date on which each Loan is made and each payment of principal with respect thereto in its records; provided that any failure to so record such information shall not in any manner affect any obligation of the Borrower under the Credit Agreement or this Note.

This Note may only be assigned as provided in the Credit Agreement.

The Borrower hereby waives presentment for payment, demand, protest and notice of dishonor of this Note.

This Note is one of the Notes referred to in, and is entitled to the benefits of, the Credit Agreement and the other Loan Documents. Capitalized terms used but not defined herein have the respective meanings set forth in the Credit Agreement.

THIS REVOLVING NOTE IS GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed and delivered as of the day and year first above written.

GLOBANT, LLC

By: _____
Name: _____
Title: _____

Note Signature Page

EXHIBIT B

[FORM OF]

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the “Assignment and Assumption”) is dated as of the Assignment Effective Date set forth below and is entered into by and between [the][each]¹ Assignor identified in item 1 below ([the][each, an] “Assignor”) and [the][each]² Assignee identified in item 2 below ([the][each, an] “Assignee”). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees]³ hereunder are several and not joint.]⁴ Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor’s][the respective Assignors’] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below and (ii) to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] “Assigned Interest”). Each such sale and assignment is without recourse to

¹ For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

² For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

³ Select as appropriate.

⁴ Include bracketed language if there are either multiple Assignors or multiple Assignees.

[the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: _____

_____ [Assignor [is] [is not] a Defaulting Lender]

2. Assignee[s]: _____

_____ [for each Assignee, indicate [Affiliate][Approved Fund] of [identify Lender]]

3. Borrower(s): Globant, LLC

4. Administrative Agent: HSBC Bank USA, N.A., as the administrative agent under the Credit Agreement

5. Credit Agreement: The Credit Agreement, dated as of August 3, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time), among Globant, LLC, the Lenders that are parties thereto, HSBC Bank USA, N.A., as Administrative Agent

6. Assigned Interest[s]:

Assignor[s] ¹	Assignee[s] ²	Facility Assigned ³	Aggregate Amount of Commitment/Loans for all Lenders ⁴	Amount of Commitment/Loans Assigned ⁸	Percentage Assigned of Commitment/Loans ⁵	CUSIP Number
			\$	\$	%	
			\$	\$	%	
			\$	\$	%	

[7. Trade Date: _____] ⁶

¹ List each Assignor, as appropriate.

² List each Assignee, as appropriate.

³ Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g., "Revolving Commitment," "Term [A][B] Commitment," etc.)

⁴ Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Assignment Effective Date.

⁵ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

⁶ To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

Assignment Effective Date: _____, 20[_] [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S]⁷
[NAME OF ASSIGNOR]

By: _____
Title:

[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE[S]⁸
[NAME OF ASSIGNEE]

By: _____
Title:

[NAME OF ASSIGNEE]

By: _____
Title:

⁷ Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

⁸ Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

[Consented to and]⁹ Accepted:

HSBC BANK USA, N.A., as
Administrative Agent

By: _____
Title:

[Consented to:]¹⁰

[**RELEVANT PARTY FULL NAME ALL CAPS**]

By: _____
Title:

⁹ **To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.**

¹⁰ **To be added only if the consent of the Borrower and/or other parties is required by the terms of the Credit Agreement.**

[GLOBANT, LLC CREDIT AGREEMENT DATED AS OF AUGUST 3, 2017 AMONG GLOBANT, LLC, THE LENDERS PARTY THERETO, AND HSBC BANK USA, N.A., AS ADMINISTRATIVE AGENT]

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any Collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Sections 9.4(b)(iii), (v) and (vi) of the Credit Agreement (subject to such consents, if any, as may be required under Section 9.4(b)(iii) of the Credit Agreement), (iii) from and after the Assignment Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest, and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 5.1 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and, based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest and (vii) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents and (ii) it will perform in accordance with their terms

all of the obligations that, by the terms of the Loan Documents, are required to be performed by it as a Lender.

2. Payments. From and after the Assignment Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Assignment Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Assignment Effective Date. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Assignment Effective Date to [the][the relevant] Assignee.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy or in electronic format shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT C

[FORM OF]

SECURITY AGREEMENT

SECURITY AGREEMENT, dated as of [____], 20[___] (as amended, amended and restated, supplemented or otherwise modified from time to time, this "Agreement"), by and between Globant, LLC, a Delaware limited liability company (together with its successors and assigns, the "Grantor") and HSBC Bank USA, N.A., as Administrative Agent (in such capacity, and together with any successor in such capacity, the "Administrative Agent"), for the benefit of the Secured Parties.

The Borrower, the Lenders party thereto from time to time and the Administrative Agent are parties to that certain Credit Agreement, dated as of August 3, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), providing, subject to the terms and conditions thereof, for the making of extensions of credit and other financial accommodations to the Borrower.

To induce the Lenders to enter into the Credit Agreement and to extend credit and other financial accommodations thereunder, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor has agreed to grant a security interest in the Collateral (as hereinafter defined) as security for the Secured Obligations (as defined in the Credit Agreement). Accordingly, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS; TERMS GENERALLY; ETC.

Section 1.1 **Definitions.** Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement.

Section 1.2 **Certain Uniform Commercial Code Terms.** As used herein, the terms "Accession", "Account", "As-Extracted Collateral", "Chattel Paper", "Commodity Account", "Commodity Contract", "Deposit Account", "Document", "Electronic Chattel Paper", "Equipment", "Fixture", "General Intangible", "Goods", "Instrument", "Inventory", "Investment Property", "Letter of Credit Right", "Payment Intangible", "Proceeds", "Promissory Note", "Software" and "Tangible Chattel Paper" have the respective meanings set forth in Article 9 of the NYUCC, and the terms "Certificated Security", "Entitlement Holder", "Financial Asset", "Instruction", "Securities Account", "Security", "Security Certificate", "Security Entitlement", "Supporting Obligation" and "Uncertificated Security" have the respective meanings set forth in Article 8 of the NYUCC.

Section 1.3 **Additional Definitions.** In addition, as used herein:

"**Collateral**" has the meaning set forth in Article III.

"**Contingent Secured Obligations**" means obligations of the Grantor in respect of (a) acceptances created for the benefit of the Grantor by any Secured Party under any Loan

Document, and (b) any other claim that may be payable to any Secured Party by the Grantor under any Loan Document that is not yet due and payable.

“Excluded Accounts” means (a) Deposit Accounts the balance of which consists exclusively of (i) withheld income taxes and federal, state or local employment taxes in such amounts as are required in the reasonable judgment of the Borrower to be paid to the Internal Revenue Service or state or local government agencies with respect to current or former employees of any one or more of the Grantors and (ii) amounts required to be paid over to an employee benefit plan pursuant to DOL Reg. Sec. 25 10.3-102 on behalf of or for the benefit of employees of one or more Grantors or amounts used for workers’ compensation and similar expenses of one or more Grantors, (b) all segregated Deposit Accounts constituting (and the balance of which consists solely of funds set aside in connection with) tax accounts, payroll accounts, trust accounts, social security accounts, any other fiduciary accounts and insurance accounts and (c) certain other Deposit Accounts or Securities Accounts of a Grantor, as the Administrative Agent shall determine in its sole and absolute discretion.

“Grantor” has the meaning set forth in the preamble hereto.

“Initial Pledged Shares” means the Shares of each Issuer beneficially owned by the Grantor on the date hereof and identified in Annex III (Part A).

“Issuers” means, collectively, (a) the respective Persons identified on Annex III (Part A) under the caption “Issuer”, (b) any other Person that shall at any time be a Subsidiary of the Grantor, and (c) the issuer of any equity securities hereafter owned by the Grantor.

“Motor Vehicles” means motor vehicles, tractors, trailers and other like property, if the title thereto is governed by a certificate of title or ownership.

“NYUCC” means the Uniform Commercial Code as in effect from time to time in the State of New York.

“Pledged Shares” means, collectively, (a) the Initial Pledged Shares and (b) all other Shares of any Issuer (subject to the last paragraph of Article III) now or hereafter owned by the Grantor, together in each case with (i) all certificates representing the same, (ii) all shares, securities, moneys or other property representing a dividend on or a distribution or return of capital on or in respect of the Pledged Shares, or resulting from a split-up, revision, reclassification or other like change of the Pledged Shares or otherwise received in exchange therefor, and any warrants, rights or options issued to the holders of, or otherwise in respect of, the Pledged Shares, and (iii) without prejudice to any provision of any of the Loan Documents prohibiting any merger or consolidation by an Issuer, all Shares of any successor entity of any such merger or consolidation.

“Shares” means shares of capital stock of a corporation, limited liability company interests, partnership interests and other ownership or equity interests of any class in any Person (regardless of whether such interests constitute “securities” or “general intangibles” under applicable law).

**ARTICLE II
REPRESENTATION AND WARRANTIES**

The Grantor represents and warrants to the Administrative Agent and the other Secured Parties on and as of the date hereof that:

Section 2.1 **Organizational Matters; Enforceability, Etc.**

(a) The Grantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. The execution, delivery and performance of this Agreement, and the grant of the security interests pursuant hereto, (i) are within the Grantor's powers and have been duly authorized by all necessary limited liability company action, (ii) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except for (1) such as have been obtained or made and are in full force and effect and (2) filings and recordings in respect of the security interests created pursuant hereto, (iii) will not violate any Applicable Law or the charter, by-laws or other organizational documents of the Grantor or any order of any Governmental Authority binding upon the Grantor or its property, (iv) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Grantor or any of its assets, or give rise to a right thereunder to require any payment to be made by any such Person, and (v) except for the security interests created pursuant hereto, will not result in the creation or imposition of any Lien on any asset of the Grantor.

(b) This Agreement has been duly executed and delivered by the Grantor and constitutes, a legal, valid and binding obligation of the Grantor, enforceable against the Grantor in accordance with its terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and (ii) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) Neither the Grantor nor any of its Subsidiaries is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

Section 2.2 **Title.** The Grantor is the sole beneficial owner of the Collateral and no Lien exists upon the Collateral (and no right or option to acquire the same exists in favor of any other Person) other than (a) the security interest created or provided for herein, which security interest constitutes a valid first and prior perfected Lien on the Collateral, and (b) the Liens expressly permitted by the Loan Documents.

Section 2.3 **Names; Filing Details; Etc.** The full and correct legal name, type of organization, jurisdiction of organization and mailing address of the Grantor as of the date hereof are correctly set forth in Annex I. Annex I correctly specifies (a) the place of business of the Grantor or, if the Grantor has more than one place of business, the location of the chief executive office of the Grantor and (b) each location where any financing statement naming the Grantor as debtor is currently on file. The financing statements containing the description of the Collateral that have been prepared for filing in the office specified in Annex I hereto constitute all the filings and recordings that are, as of the Effective Date, necessary to publish notice of and

protect the validity of and to establish a legal, valid and perfected security interest in favor of the Administrative Agent (for the benefit of the Secured Parties) in respect of all Collateral in which a security interest may be perfected by filing such financing statements.

Section 2.4 **Changes in Circumstances.** The Grantor has not (a) within the period of four months prior to the date hereof, changed its location (as defined in Section 9-307 of the NYUCC), (b) within the period of five years prior to the date hereof, except as specified in Annex I, heretofore changed its name, or (c) within five years prior to the date hereof, except as specified in Annex II, heretofore become a “new debtor” (as defined in Section 9-102(a)(56) of the NYUCC) with respect to a currently effective security agreement previously entered into by any other Person.

Section 2.5 **Pledged Shares.**

(a) The Initial Pledged Shares constitute (i) 100% of the issued and outstanding Shares of each Issuer that is a Domestic Subsidiary and Foreign Subsidiary that is not a CFC, in each case, beneficially owned by the Grantor on the date hereof (other than any Shares held in a Securities Account referred to in Annex IV), whether or not registered in the name of the Grantor and (ii) in the case of each Issuer that is a Foreign Subsidiary that is a CFC, (A) 65% of the issued and outstanding shares of voting stock of such Issuer and (B) 100% of all other issued and outstanding shares of capital stock of whatever class of such Issuer beneficially owned by the Grantor on the date hereof, in each case whether or not registered in the name of the Grantor. Annex III (Part A) correctly identifies, as at the date hereof, the respective Issuers of the Initial Pledged Shares and (in the case of any corporate Issuer) the respective class and par value of such Shares and the respective number of such Shares (and registered owner thereof) represented by each such certificate.

(b) The Initial Pledged Shares are, and all other Pledged Shares in which the Grantor shall hereafter grant a security interest pursuant to Article III will be, (i) duly authorized, validly existing, fully paid and non-assessable (in the case of any Shares issued by a corporation) and (ii) duly issued and outstanding (in the case of any Shares in any other entity), and none of such Pledged Shares are or will be subject to any contractual restriction, or any restriction under the organizational documents of the respective Issuer thereof, upon the transfer of such Pledged Shares (except for any such restriction contained herein or in the Loan Documents, or under such organizational documents).

Section 2.6 **Promissory Notes.** Annex III (Part B) sets forth a complete and correct list of all Promissory Notes (other than any held in a Securities Account referred to in Annex IV) held by the Grantor on the date hereof having an aggregate principal amount in excess of \$500,000.

Section 2.7 **Deposit Accounts, Securities Accounts and Commodity Accounts.** Annex IV sets forth a complete and correct list of all Deposit Accounts, Securities Accounts and Commodity Accounts of the Grantor on the date hereof.

Section 2.8 **Commercial Tort Claims.** Annex V sets forth a complete and correct list of all commercial tort claims of the Grantor in existence on the date hereof in an amount in excess of \$100,000.

**ARTICLE III
COLLATERAL**

As collateral security for the payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations, the Grantor hereby pledges and grants to the Administrative Agent, for the ratable benefit of the Secured Parties, a security interest in all of the Grantor's right, title and interest in, to and under the following property, in each case whether tangible or intangible, wherever located, and whether now owned by the Grantor or hereafter acquired and whether now existing or hereafter coming into existence (all of the property described in this Article III being collectively referred to herein as "Collateral"):

- (a) all Accounts;
- (b) all As-Extracted Collateral;
- (c) all Chattel Paper;
- (d) all Deposit Accounts;
- (e) all Documents;
- (f) all Equipment;
- (g) all Fixtures;
- (h) all General Intangibles;
- (i) all Goods not covered by the other clauses of this Article III;
- (j) the Pledged Shares;
- (k) all Instruments, including all Promissory Notes;
- (l) all Inventory;
- (m) all Investment Property not covered by other clauses of this Article III, including all Securities, all Securities Accounts and all Security Entitlements with respect thereto and Financial Assets carried therein, and all Commodity Accounts and Commodity Contracts;
- (n) all Letter of Credit Rights;
- (o) all commercial tort claims, as defined in Section 9-102(a)(13) of the NYUCC, arising out of the events described in Annex V;

(p) all other tangible and intangible personal property whatsoever of the Grantor (excluding, for the avoidance of doubt, Intellectual Property); and

(q) all Proceeds of any of the Collateral, all Accessions to and substitutions and replacements for, any of the Collateral, and all offspring, rents, profits and products of any of the Collateral, and, to the extent related to any Collateral, all books, correspondence, credit files, records, invoices and other papers (including all tapes, cards, computer runs and other papers and documents in the possession or under the control of the Grantor or any computer bureau or service company from time to time acting for the Grantor),

IT BEING UNDERSTOOD, HOWEVER, that the security interest created by this Agreement shall not extend to and the terms "Collateral" and other terms defining the components of the Collateral in the foregoing clauses (a) through (q) shall not include, and none of the representations, warranties, covenants or any other provisions herein or in any other Loan Document shall be deemed to apply to, any of the following: (A) in the case of any of the foregoing that consists of general or limited partnership interests in a general or limited partnership or limited liability company to the extent the security interest granted herein is prohibited by the applicable organizational instrument pursuant to which such partnership or limited liability company is formed; (B) any lease, license, contract, property rights or agreement to which the Grantor is a party (or to any of its rights or interests thereunder) if the grant of such security interest (i) would constitute or result in either (x) the abandonment, invalidation or unenforceability of any right, title or interest of the Grantor therein or (y) in a breach or termination pursuant to the terms of, or a default under, any such lease, license, contract, property rights or agreement, (ii) requires consent, approval, license or authorization from any Governmental Authority or any other Person, or (iii) is prohibited by or is a violation of any Applicable Law (in each case other than to the extent that any such term would be rendered ineffective by Section 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code as in effect in the relevant jurisdiction); (C) the voting stock of any Issuer that is a Foreign Subsidiary that is a CFC in excess of 65% of the aggregate issued and outstanding voting stock of such Issuer; (D) any lease, license or other agreement or any property or rights of the Grantor subject to a purchase money security interest, capital lease obligation or similar arrangements (including permitted refinancings thereof), in each case, to the extent permitted under the Loan Documents, if and for so long as the agreement pursuant to which such Lien is granted (or the document providing such capital lease or similar arrangements) prohibits, or requires the consent of any Person (other than any Loan Party) as a condition to, the creation of any other Lien with respect to such lease, license, other agreement, property or rights unless such consent has been received and is in effect; and (E) any Excluded Accounts.

ARTICLE IV FURTHER ASSURANCES; REMEDIES.

In furtherance of the grant of the security interest pursuant to Article III, the Grantor hereby agrees with the Administrative Agent and the other Secured Parties as follows:

Section 4.1 **Delivery and Other Perfection.** The Grantor shall promptly from time to time give, execute, deliver, file, record, authorize or obtain all such financing statements, continuation statements, notices, instruments, documents, agreements or consents or other papers

as may be necessary or desirable in the judgment of the Administrative Agent, to create, preserve, perfect, maintain the perfection of or validate the security interest granted pursuant hereto or to enable the Administrative Agent to exercise and enforce its rights on behalf of the Secured Parties hereunder with respect to such security interest, and without limiting the foregoing, shall:

(a) if any of the Pledged Shares, Investment Property or Financial Assets constituting part of the Collateral are received by the Grantor, forthwith take such action as the Administrative Agent, may reasonably deem necessary or appropriate to duly record or otherwise perfect the security interest created hereunder in such Collateral;

(b) promptly upon the reasonable request from the Administrative Agent, deliver to the Administrative Agent any and all Instruments constituting part of the Collateral, endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as the Administrative Agent, may request; provided that (other than in the case of the promissory notes described in Annex III (Part B)) so long as no Event of Default shall have occurred and be continuing, the Grantor may retain for collection in the ordinary course any Instruments received by the Grantor in the ordinary course of business and the Administrative Agent shall, promptly upon request of the Grantor, make appropriate arrangements for making any Instrument delivered by the Grantor available to the Grantor for purposes of presentation, collection or renewal (any such arrangement to be effected, to the extent requested by the Administrative Agent, against trust receipt or like document);

(c) promptly upon the reasonable request of the Administrative Agent, enter into such control agreements, each in form and substance reasonably acceptable to the Administrative Agent, as may be required to perfect the security interest created hereby in any and all Deposit Accounts and Securities Accounts to the extent permitted by Applicable Law;

(d) promptly upon request of the Administrative Agent, (i) maintain all Electronic Chattel Paper in excess of \$50,000 so that the Administrative Agent has control of such Electronic Chattel Paper in the manner specified in Section 9-105 of the Uniform Commercial Code of the applicable jurisdiction and (ii) obtain the consent of the issuer to an assignment of proceeds of the applicable letter of credit with respect to any Letter of Credit Rights not constitution Supporting Obligation and are in excess of \$50,000, and will promptly furnish to the Administrative Agent true copies thereof;

(e) keep books and records relating to the Collateral, which shall be full and accurate in all material respects, and stamp or otherwise mark such books and records in such manner as the Administrative Agent may reasonably require in order to reflect the security interests granted by this Agreement; and

(f) permit representatives designated by the Administrative Agent or any Secured Party, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at the expense of the Grantor and at such reasonable times and as often as reasonably requested; provided that when a Default exists the Administrative Agent or any Secured Party (or any of their respective representatives) may do

any of the foregoing at the expense of the Grantor at any time during normal business hours and without advance notice; provided, further, that unless an Event of Default shall have occurred and be continuing, the Grantor shall have been afforded a reasonable opportunity to be present at any such discussion.

Notwithstanding anything to the contrary herein or in any other Loan Document, the Grantor shall not be required to (i) take any collateral perfection action other than the filing of Uniform Commercial Code financing statements or (ii) bear the costs or expenses of any collateral perfection other than as described in clause (i), in each case, except following the request of the Administrative Agent following the occurrence and during the continuance of an Event of Default.

Section 4.2 **Other Financing Statements or Control.** Except as otherwise permitted under the Loan Documents, the Grantor shall not (a) file or suffer to be on file, or authorize or permit to be filed or to be on file, in any jurisdiction, any financing statement or like instrument with respect to any of the Collateral in which the Administrative Agent is not named as the sole secured party, except for any filing or instrument made in connection with any Liens permitted by the Loan Documents or (b) cause or permit any Person other than the Grantor or the Administrative Agent to have “control” (as defined in Section 9-104, 9-105, 9-106 or 9-107 of the NYUCC) of any Deposit Account, Electronic Chattel Paper, or Investment Property or Letter of Credit Right constituting part of the Collateral.

Section 4.3 **Preservation of Rights.** The Administrative Agent shall not be required to take steps necessary to preserve any rights against prior parties to any of the Collateral.

Section 4.4 **Special Provisions Relating to Certain Collateral.**

(a) **Pledged Shares.**

(i) The Grantor will cause the Pledged Shares to constitute at all times (1) 100% of the total number of Shares of each Issuer that is a Domestic Subsidiary and a Foreign Subsidiary that is not a CFC, then issued and outstanding owned by the Grantor and (2) in the case of each Issuer that is a Foreign Subsidiary that is a CFC, 65% of the total number of Shares of voting stock of such Issuer and 100% of the total number of Shares of all other classes of capital stock of such Issuer then issued and outstanding owned by the Grantor.

(ii) So long as no Event of Default shall have occurred and be continuing, the Grantor shall have the right to exercise all voting, consensual and other powers of ownership pertaining to the Pledged Shares for all purposes not inconsistent with the terms of this Agreement, the Loan Documents or any other instrument or agreement referred to herein or therein; and the Administrative Agent shall execute and deliver to the Grantor or cause to be executed and delivered to the Grantor all such proxies, powers of attorney, dividend and other orders, and all such instruments, without recourse, as the Grantor may reasonably request for the purpose of enabling the Grantor to exercise the rights and powers that it is entitled to exercise pursuant to this Section 4.4(a)(ii).

(iii) Unless and until an Event of Default shall have occurred and be continuing, the Grantor shall be entitled to receive and retain any dividends, distributions or proceeds on the Pledged Shares paid in cash out of earned surplus.

(iv) If an Event of Default shall have occurred and be continuing, whether or not the Administrative Agent exercises any available right to declare any Secured Obligations due and payable or seeks or pursues any other relief or remedy available to it under Applicable Law or under this Agreement, the Loan Documents or any other agreement relating to such Secured Obligation, all dividends and other distributions on the Pledged Shares shall be paid directly to the Administrative Agent, for the benefit of the Secured Parties, and retained by it in a cash collateral account as part of the Collateral, subject to the terms of this Agreement, and, if the Administrative Agent shall so request in writing, the Grantor agrees to execute and deliver to the Administrative Agent appropriate additional dividend, distribution and other orders and documents to that end, provided that if such Event of Default is cured, any such dividend or distribution theretofore paid to the Administrative Agent shall, upon request of the Grantor (except to the extent theretofore applied to the Secured Obligations), be returned by the Administrative Agent to the Grantor.

(b) Chattel Paper. The Grantor will cause each original of each item of Chattel Paper at any time constituting part of the Collateral, and (ii) cause each such original and each copy thereof to bear a conspicuous legend, in form and substance reasonably satisfactory to the Administrative Agent, indicating that such Chattel Paper is subject to the security interest granted hereby and that purchase of such Chattel Paper by a Person other than the Administrative Agent without the consent of the Administrative Agent would violate the rights of the Administrative Agent.

Section 4.5 Remedies.

(a) Rights and Remedies Generally upon an Event of Default. If an Event of Default shall have occurred and is continuing, the Administrative Agent shall have all of the rights and remedies with respect to the Collateral of a secured party under the NYUCC (whether or not the Uniform Commercial Code is in effect in the jurisdiction where the rights and remedies are asserted) and such additional rights and remedies to which a secured party is entitled under the Applicable Law in effect in any jurisdiction where any rights and remedies hereunder may be asserted, including the right, to the fullest extent permitted by Applicable Law, to exercise all voting, consensual and other powers of ownership pertaining to the Collateral as if the Administrative Agent were the sole and absolute owner thereof (and the Grantor agrees to take all such action as may be appropriate to give effect to such right); and without limiting the foregoing, the Administrative Agent may in each case, at any time after the occurrence and during the continuation of an Event of Default:

(i) in its name or in the name of the Grantor or otherwise, demand, sue for, collect or receive any money or other property at any time payable or receivable on account of or in exchange for any of the Collateral, but shall be under no obligation to do so;

(ii) make any reasonable compromise or settlement deemed desirable with respect to any of the Collateral and may extend the time of payment, arrange for payment in installments, or otherwise modify the terms of, any of the Collateral;

(iii) require the Grantor to notify (and the Grantor hereby authorizes the Administrative Agent so to notify) each account debtor in respect of any Account, Chattel Paper or General Intangible, and each obligor on any Instrument, constituting part of the Collateral that such Collateral has been assigned to the Administrative Agent hereunder, and to instruct that any payments due or to become due in respect of such Collateral shall be made directly to the Administrative Agent or as it may direct (and if any such payments, or any other Proceeds of Collateral, are received by the Grantor they shall be held in trust by the Grantor for the benefit of the Administrative Agent and as promptly as possible remitted or delivered to the Administrative Agent for application as provided herein);

(iv) require the Grantor to assemble the Collateral at such place or places, reasonably convenient to the Administrative Agent and the Grantor, as the Administrative Agent may direct;

(v) apply any cash collateral account and any money or other property therein to payment of the Secured Obligations;

(vi) require the Grantor to cause the Pledged Shares to be transferred of record into the name of the Administrative Agent or its nominee (and the Administrative Agent agrees that if any of such Pledged Shares is transferred into its name or the name of its nominee, the Administrative Agent will thereafter promptly give to the Grantor copies of any notices and communications received by it with respect to such Pledged Shares); and

(vii) sell, lease, assign or otherwise dispose of all or any part of the Collateral, at such place or places as the Administrative Agent deems best, and for cash or for credit or for future delivery (without thereby assuming any credit risk), at public or private sale, without demand of performance or notice of intention to effect any such disposition or of the time or place thereof (except such notice as is required by applicable statute and cannot be waived), and the Administrative Agent or anyone else may be the purchaser, lessee, assignee or recipient of any or all of the Collateral so disposed of at any public sale (or, to the extent permitted by Applicable Law, at any private sale) and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any right or equity of redemption (statutory or otherwise), of the Grantor, any such demand, notice and right or equity being hereby expressly waived and released. The Administrative Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the sale may be so adjourned.

The Proceeds of each collection, sale or other disposition under this Section 4.5, including by virtue of the exercise of any license granted to the Administrative Agent in Section 4.4(b), shall be applied in accordance with Section 4.9.

(b) Certain Securities Act Limitations. The Grantor recognizes that, by reason of certain prohibitions contained in the Securities Act of 1933, as amended, and applicable state securities laws, the Administrative Agent may be compelled, with respect to any sale of all or any part of the Collateral, to limit purchasers to those who will agree, among other things, to acquire the Collateral for their own account, for investment and not with a view to the distribution or resale thereof. The Grantor acknowledges that any such private sales may be at prices and on terms less favorable to the Secured Parties than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Administrative Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Collateral for the period of time necessary to permit the issuer thereof to register it for public sale.

(c) Notice. The Grantor agrees that to the extent the Administrative Agent is required by Applicable Law to give reasonable prior notice of any sale or other disposition of any Collateral, ten (10) Business Days' notice shall be deemed to constitute reasonable prior notice.

Section 4.6 Deficiency. If the proceeds of sale, collection or other realization of or upon the Collateral pursuant to Section 4.5 are insufficient to cover the costs and expenses of such realization and the payment in full of the Secured Obligations, the Grantor shall remain liable for any deficiency.

Section 4.7 Locations; Names, Etc. Without at least thirty (30) days' prior written notice to the Administrative Agent, the Grantor shall not (i) change its location (as defined in Section 9-307 of the NYUCC), (ii) change its name from the name shown as its current legal name on Annex I, or (iii) agree to or authorize any modification of the terms of any item of Collateral that would result in a change thereof from one Uniform Commercial Code category to another such category (such as from a General Intangible to Investment Property), if the effect thereof would be to result in a loss of perfection of, or diminution of priority for, the security interests created hereunder in such item of Collateral, or the loss of control (within the meaning of Section 9-104, 9-105, 9-106 or 9-107 of the NYUCC) over such item of Collateral.

Section 4.8 Private Sale. The Administrative Agent shall incur no liability as a result of the sale of the Collateral, or any part thereof, at any private sale pursuant to Section 4.5 conducted in a commercially reasonable manner. The Grantor hereby waives any claims against the Administrative Agent or any Secured Party arising by reason of the fact that the price at which the Collateral may have been sold at such a private sale was less than the price that might have been obtained at a public sale or was less than the aggregate amount of the Secured Obligations, even if the Administrative Agent accepts the first offer received and does not offer the Collateral to more than one offeree.

Section 4.9 **Application of Proceeds.** Except as otherwise expressly provided herein, the Proceeds of any collection, sale or other realization of all or any part of the Collateral pursuant hereto, and any other cash at the time held by the Administrative Agent under this Article IV, shall be applied by the Administrative Agent in accordance with Section 7.2 of the Credit Agreement.

For purposes hereof, whenever this Agreement contemplates that cash collateral shall be provided for Contingent Secured Obligations, such cash collateral shall be effected by the payment to the Administrative Agent of any amount that will be deposited into a cash collateral account to be held by the Administrative Agent as collateral security for the payment of such Contingent Secured Obligations as and when they become due and payable.

Section 4.10 **Attorney-in-Fact.** Without limiting any rights or powers granted by this Agreement to the Administrative Agent while no Event of Default has occurred and is continuing, upon the occurrence and during the continuance of any Event of Default the Administrative Agent is hereby appointed the attorney-in-fact of the Grantor for the purpose of carrying out the provisions of this Article IV and taking any action and executing any instruments that the Administrative Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, so long as the Administrative Agent shall be entitled under this Article IV to make collections in respect of the Collateral, the Administrative Agent shall have the right and power to receive, endorse and collect all checks made payable to the order of the Grantor representing any dividend, payment or other distribution in respect of the Collateral or any part thereof and to give full discharge for the same.

Section 4.11 **Perfection and Recordation.** The Grantor authorizes the Administrative Agent to file Uniform Commercial Code financing statements describing the Collateral as “all assets” or “all personal property and fixtures” or words of similar effect of the Grantor (provided that no such description shall be deemed to modify the description of Collateral set forth in Article III).

Section 4.12 **Termination and Release.**

(a) When all Commitments shall have expired or terminated and all Secured Obligations (other than unasserted contingent indemnification liabilities) have been paid in full, this Agreement shall terminate and the Collateral shall be automatically released from the Liens granted hereunder and the other Loan Documents without further action by any Person. The Administrative Agent shall forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Collateral and money received in respect thereof, to or on the order of the Grantor and to be released and canceled all licenses and rights referred to in Section 4.4(b). The Administrative Agent shall also, at the expense of the Grantor, execute and deliver to the Grantor upon such termination such Uniform Commercial Code termination statements, and such other documentation as shall be reasonably requested by the Grantor to effect the termination and release of the liens on the Collateral as required by this Section 4.12.

(b) Upon any sale, lease, transfer or other disposition of any item of Collateral of the Grantor and upon the release of the Grantor from its obligations under its Guaranty, in each case permitted by, and in accordance with, the terms of the Loan Documents, the Administrative Agent will, at the Grantor's expense, execute and deliver to the Grantor upon such release or termination such Uniform Commercial Code amendment statements or termination statements, as the case may be and such other documentation as shall be reasonably requested by the Grantor to effect the release of the liens on such item of Collateral or Grantor and return all such Collateral in its possession to the Grantor.

Section 4.13 **Standard of Care.** The powers conferred on the Administrative Agent under this Agreement are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody and preservation of the Collateral in its possession and the accounting for monies actually received by it, the Administrative Agent shall have no other duty as to the Collateral, whether or not the Administrative Agent or any of the other Lenders has or is deemed to have knowledge of any matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to the Collateral. The Administrative Agent hereby agrees to exercise reasonable care in respect of the custody and preservation of the Collateral. The Administrative Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Administrative Agent accords its own property.

ARTICLE V MISCELLANEOUS.

Section 5.1 **Notices.** All notices and other communications provided for herein shall be in writing and shall be delivered pursuant to Section 9.1 of the Credit Agreement.

Section 5.2 **No Waiver.** No failure or delay or course of dealing on the part of the Secured Parties in the exercise of any power, right or privilege hereunder or under any other Loan Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. The rights, powers and remedies given to the Administrative Agent and each Secured Party hereby are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other Loan Documents or any of the Lender Provided Hedging Agreements or any Lender Provided Financial Service Product. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

Section 5.3 **Amendments, Etc.** The terms of this Agreement may be waived, altered or amended only by an instrument in writing duly executed by the Grantor and the Administrative Agent.

Section 5.4 **Expenses.**

(a) The Grantor agrees to reimburse the Administrative Agent for all reasonable and documented out-of-pocket expenses incurred by it (including the reasonable fees, charges and disbursements of legal counsel) in connection with the syndication of the facilities, the preparation, negotiation, execution, delivery, recordation and filing (including all recording and filing fees, and all mortgage, intangible and other taxes) (subject, in each case, to the limitations expressly set forth in any other Loan Document) and administration of the Loan Documents, or any amendment, modification or waiver of the provisions thereof (whether or not the transactions contemplated thereby shall be consummated), sums paid or incurred to pay by the Grantor or any other Loan Party under the Loan Documents and costs to verify the Collateral.

(b) The Grantor further agrees to reimburse each Secured Party upon demand for all reasonable and documented out-of-pocket expenses incurred by such Secured Party in connection with the enforcement or protection of its rights in connection with any Loan Document, including its rights under this Section, and all reasonable and documented out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of any Secured Obligations; (ii) the negotiation of any restructuring or “work out”, whether or not consummated, of any Secured Obligations; (iii) the enforcement or protection of its rights in connection with any Loan Document; and (iv) any claim, litigation, investigation or proceeding relating to any Loan Document.

(c) To the extent that the Grantor for any reason fails to indefeasibly pay any amount required under clause (a) to be paid by it to the Administrative Agent (or sub-agent thereof) or any Related Party, each Lender severally agrees to pay to the Administrative Agent (or any sub-agent) or such Related Party, as the case may be, such Lender’s pro rata share (determined as of the time that the applicable unreimbursed expense or payment is sought based on each Lender’s share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that the unreimbursed expense or payment, as the case may be, was incurred by or asserted against the Administrative Agent (or any sub-agent) or against any Related Party acting for the Administrative Agent (or any sub-agent) in connection with such capacity. The obligations of the Lenders under this clause are several and not joint.

(d) All amounts due under this Section shall be payable promptly after demand therefor.

Section 5.5 **Successors and Assigns.** This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and the successors and assigns of the Secured Parties. The Grantor’s rights and obligations hereunder and any interest therein may not be assigned or delegated by the Grantor without the prior written consent of the Administrative Agent (and any purported assignment or delegation without such consent shall be null and void).

Section 5.6 **Counterparts.** This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or in electronic (i.e., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 5.7 **Governing Law; Jurisdiction; Service of Process and Venue.**

(a) **Governing Law.** This Agreement and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement and the transactions contemplated hereby shall be governed by, and construed in accordance with, the law of the State of New York, without regard to conflicts of law principals except Title 14 of Article 5 of the New York General Obligations law.

(b) **Consent to Jurisdiction.** The Grantor irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any other Secured Party or any Related Party of the foregoing in any way relating to this Agreement or the transactions relating hereto, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court for the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, in any way relating to this Agreement or the transactions relating hereto may be heard and determined in such New York State court or, to the fullest extent permitted by Applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Applicable Law. Nothing in this Agreement shall affect any right that the Administrative Agent or any other Secured Party may otherwise have to bring any action or proceeding relating to this Agreement against the Grantor or its properties in the courts of any jurisdiction. The Grantor irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement in any court referred to in this clause (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 5.1. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

Section 5.8 **WAIVER OF JURY TRIAL.** EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 5.9 **Headings.** Article and Section headings used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 5.10 **Severability.** Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 5.11 **Entire Agreement.** This Agreement and the other Loan Documents represent the entire agreement among the parties relating to the subject matter hereof and thereof, and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

Section 5.12 **No Fiduciary Relationship.** The Secured Parties and the Administrative Agent may have economic interests that conflict with those of the Grantor, its stockholders and/or its Affiliates. The Grantor agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Secured Party or the Administrative Agent, on the one hand, and the Grantor, its stockholders or its Affiliates, on the other. The Grantor acknowledges and agrees that (a) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions and (B) in connection therewith and with the process leading thereto (i) no Secured Party nor the Administrative Agent has assumed an advisory or fiduciary responsibility in favor of the Grantor, its stockholder or its Affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Secured Party or the Administrative Agent has advised, is currently advising or will advise the Grantor, its stockholders or its Affiliates on other matters) or any other obligation to the Grantor except the obligations expressly set forth in the Loan Documents and (ii) each Secured Party and the Administrative Agent is acting solely as principal and not as the agent or fiduciary for the Grantor, its management, stockholders, creditors or any other Person. The Grantor acknowledges and agrees that the Grantor has consulted its own legal and financial advisors to the extent it deemed appropriate and it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Grantor agrees that it will not claim that the Administrative Agent or any Secured Party has rendered advisory services of any nature or respect, or owes any fiduciary or similar duty to the Grantor, in connection with such transaction or the process leading thereto.

Section 5.13 **Setoff.** If an Event of Default shall have occurred and be continuing, each Lender, each other Secured Party and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender, such other Secured Party or any such Affiliate, to or for the credit or the account of the Grantor against any and all of the obligations of the Grantor or any other Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or such

other Secured Party or their respective Affiliates, irrespective of whether or not such Lender, such other Secured Party or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Grantor or such Loan Party may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender or such other Secured Party different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness.

[Signature Page Follows]

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

GLOBANT, LLC

By _____

Name:

Title:

Signature Page to Security Agreement

HSBC BANK USA, N.A.,
as Administrative Agent

By _____

Name:

Title:

Signature Page to Security Agreement

NAMES, LOCATIONS AND FILING DETAILS

[See Sections 2.3, 2.4 and 4.7]

Names

Grantor's correct legal name:	Previous names:	Additional names:	Type of organization:	Jurisdiction of organization
Globant, LLC	N/A	N/A	Limited Liability Company	Delaware

Principal Place of Business

Grantor:	Principal Place of Business:
Globant, LLC	875 Howard Street, Suite 320, San Francisco, CA 94103

Changes in Circumstances

None.

Filing Office

Grantor:	Filing Office:
Globant, LLC	Delaware Secretary of State

Annex I to Security Agreement

NEW DEBTOR EVENTS

[See Section 2.4]

None.

Annex II to Security Agreement

PLEGDED SHARES AND PROMISSORY NOTES

[See definition of “Issuers” and “Initial Pledged Shares” in Section 1.3 and Sections 2.5, 2.6, 3(j), 3(k) and 4.1(b)]

Part A

Pledged Stock, Pledged Partnership Interests and Pledged LLC Interests

Grantor:	Issuer:	Class of Equity Interest:	Par Value:	Certificate No(s).	No. of Shares/Units	Percentage of Outstanding Shares/Units
Globant, LLC	L4 Mobile LLC	Membership Interest	N/A	N/A	100%	100%
Globant, LLC	Ratio Cypress LLC	Membership Interest	N/A	N/A	100%	100%
Globant, LLC	Point Source LLC	Membership Interest	N/A	N/A	100%	100%

Part B

Pledged Notes

None.

Annex III to Security Agreement

**LIST OF DEPOSIT ACCOUNTS, AND SECURITIES ACCOUNTS AND COMMODITY
ACCOUNTS**

[See Section 2.7]

Securities Accounts

<u>Grantor</u>	<u>Type of Account</u>	<u>Name of Approved Securities Intermediary</u>	<u>Account Number</u>
Globant, LLC	Asset	J.P. Morgan	

Commodity Accounts

None.

Deposit Accounts

<u>Grantor</u>	<u>Type of Account</u>	<u>Name of Approved Depository Bank</u>	<u>Account Number</u>
Globant, LLC	Checking	Citibank	
Globant, LLC	Checking	Citibank	
Globant, LLC	Checking	HSBC	
Globant, LLC	Savings	HSBC	
Globant, LLC	Checking	Bridge Bank	

Annex IV to Security Agreement

LIST OF COMMERCIAL TORT CLAIMS

[See Sections 2.8 and 3(o)]

None.

Annex V to Security Agreement

EXHIBIT D-1

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of August 3, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among GLOBANT, LLC, the Lenders party thereto, and HSBC BANK USA, N.A., as Administrative Agent.

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the IRC, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the IRC and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the IRC.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned or in either of the two calendar years preceding such payments. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[LENDER FULL NAME ALL CAPS]

By: _____

Name:

Title:

Date: [_____] [____], 20[____]

EXHIBIT D-2

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of August 3, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among GLOBANT, LLC, the Lenders party thereto and HSBC BANK USA, N.A., as Administrative Agent.

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the IRC, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the IRC and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the IRC.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[PARTICIPANT FULL NAME ALL CAPS]

By: _____

Name:

Title:

Date: [_____] [__], 20[__]

EXHIBIT D-3

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of August 3, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among GLOBANT, LLC, the Lenders party thereto and HSBC BANK USA, N.A., as Administrative Agent.

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the IRC, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the IRC and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the IRC.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned or in either of the two calendar years preceding such payments. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[PARTICIPANT FULL NAME ALL CAPS]

By: _____

Name:

Title:

Date: [_____] [____], 20[____]

EXHIBIT D-4

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of August 3, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among GLOBANT, LLC, the Lenders party thereto and HSBC BANK USA, N.A., as Administrative Agent.

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the IRC, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the IRC and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the IRC.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[LENDER FULL NAME ALL CAPS]

By: _____

Name:

Title:

Date: [_____] [__], 20[__]

EXHIBIT E
[FORM OF]
BORROWING REQUEST

Date: [____], 20[__]

HSBC Bank USA, N.A.,
Corporate Trust and Loan Agency
452 5th Avenue (8E6)
New York, NY 10018

Re: GLOBANT, LLC Credit Agreement

Ladies/Gentlemen:

Reference is hereby made to the Credit Agreement, dated as of August 3, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among GLOBANT, LLC (the "Borrower"), the Lenders party thereto and HSBC BANK USA, N.A., as Administrative Agent. Capitalized terms used but not defined herein have the respective meanings set forth in the Credit Agreement.

The Borrower irrevocably requests the making of Loans as follows:

1. Date of Borrowing: [____], [____].
2. Aggregate Amount of Borrowing: \$[_____] ¹⁵.
3. Type of Borrowing: [Base Rate Borrowing] [Eurodollar Borrowing].
- [4. Initial Interest Period for Eurodollar Borrowing: [_____] month(s).]
5. Location and number of Borrower's account to which funds are to be disbursed:

Account Location: [_____]

Account Number: [_____]

The Borrower certifies that on the date hereof:

- (a) the representations and warranties of the Loan Parties set forth in the Loan Documents are true and correct in all material respects (except to the extent already qualified by materiality, in which case any such representation or

¹⁵ **1,000,000 or a higher integral multiple of \$500,000 in respect of a Eurodollar Loan; and \$1,000,000 or a higher integral multiple of \$500,000 in respect of a Base Rate Loan.**

warranty shall be true and correct in all respects) on and as of the date of the Borrowing requested hereby, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (except to the extent already qualified by materiality, in which case any such representation or warranty shall be true and correct in all respects) as of such earlier date; and

(b) no Default or Event of Default exists or will exist immediately after giving effect to such Borrowing.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned has caused this Borrowing Request to be executed and delivered by the undersigned authorized representative of the Borrower hereunto duly authorized as of the date first above written.

GLOBANT, LLC

By: _____
Name:
Title:

Signature Page to Borrowing Request

EXHIBIT F
[FORM OF]
INTEREST ELECTION REQUEST

Date:[_____], 20[___]

HSBC Bank USA, N.A.,
Corporate Trust and Loan Agency
452 5th Avenue (8E6)
New York, NY 10018

Re: *GLOBANT, LLC Credit Agreement*

Ladies and Gentlemen:

Reference is made to the Credit Agreement, dated as of August 3, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among GLOBANT, LLC (the "Borrower"), the Lender party thereto and HSBC BANK USA, N.A., as Administrative Agent. Capitalized terms used but not defined herein have the respective meanings set forth in the Credit Agreement.

The Borrower irrevocably requests the [conversion of Base Rate Loans to Eurodollar Loans][conversion of Eurodollar Loans to Base Rate Loans] [continuation of Eurodollar Loans for a new Interest Period] as follows:

1. Date of [conversion][continuation]: [_____], 20[___].
2. Aggregate principal amount of Loans to be [converted][continued]: \$[_____].
3. Type of Borrowing: The Loans to be [converted][continued] currently are [Base Rate Borrowings][Eurodollar Borrowings with an Interest Period ending on [_____], 20[___]].
- [4. Interest Period for the Eurodollar Borrowing after [conversion][continuation]: [_____] months.]

The Borrower certifies that on the date hereof, no Event of Default exists.¹

[Signature page follows]

¹ ***Unless the Required Lenders otherwise consent to the proposed conversion or continuation.***

IN WITNESS WHEREOF, the undersigned has caused this Interest Election Request to be executed and delivered by the undersigned authorized representative of the Borrower hereunto duly authorized as of the date first above written.

GLOBANT, LLC

By: _____
Name:
Title:

Signature Page to Interest Election Request

EXHIBIT G

[FORM OF]

COMPLIANCE CERTIFICATE

[DATE]

HSBC Bank USA, N.A., as Administrative Agent
Corporate Trust and Loan Agency
452 5th Avenue (8E6)
New York, NY 10018

Re: *GLOBANT, LLC Credit Agreement*

Ladies and Gentlemen:

Reference is hereby made to the Credit Agreement, dated as of August 3, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among GLOBANT, LLC (the "Borrower"), the Lenders party thereto and HSBC BANK USA, N.A., as Administrative Agent. Capitalized terms used but not defined herein have the respective meanings set forth in the Credit Agreement.

The undersigned Financial Officer of the Borrower hereby certifies as of the date hereof that he/she is the of the Borrower, and that, as such, he/she is authorized to execute and deliver this Compliance Certificate to the Administrative Agent on behalf of the Borrower, and that:

*[Use following paragraph 1 for fiscal **year-end** financial statements]*

1. Annual Audit Report. Attached hereto as Schedule I are the year-end audited consolidated financial statements of Globant S.A. required by Section 5.1(a) of the Credit Agreement for the fiscal year of the Borrower ended as of December 31, [____] (the "Computation Date").

*[Use following paragraph 1 for fiscal **quarter-end** financial statements]*

1. Quarterly Financial Statements. Attached hereto as Schedule I are the Borrower-prepared consolidated (if applicable) financial statements of the Borrower and Globant S.A. required by Section 5.1(b) of the Credit Agreement for the fiscal quarter of the Borrower ended as of (the "Computation Date")¹ in form and substance as set forth in such section.

2. Financial Tests. The Borrower certifies and warrants to you that the attached Schedule II sets forth true and correct computations as of the immediately preceding four fiscal

¹The "Computation Date" is the last day of the applicable fiscal quarter.

quarters ending on _____ of the ratios and/or financial restrictions contained in Section 6.1 of the Credit Agreement.

3. Default. The undersigned has reviewed and is familiar with the terms of the Credit Agreement and has made, or has caused to be made under his/her supervision, a detailed review of the condition (financial or otherwise) of the Borrower as of the Computation Date and for the accounting period then ended with the purpose of determining whether the Borrower was in compliance with the Credit Agreement as of such date, and to the best knowledge of the undersigned, no Default has occurred and is continuing [, except as described below:]².

4. Representations and Warranties. The representations and warranties of the Loan Parties set forth in the Loan Documents are true and correct in all material respects (except to the extent already qualified by materiality, in which case any such representation or warranty shall be true and correct in all respects) on and as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (except to the extent already qualified by materiality, in which case any such representation or warranty shall be true and correct in all respects) as of such earlier date[, except as described below:]³.

5. Changes to IFRS. Since the date of the year-end audited consolidated financial statements of Globant S.A. required by Section 5.1(a) of the Credit Agreement for the fiscal year of the Borrower ended as of December 31, [____], no changes in IFRS or the application thereof has occurred[, except as described below:]⁴.

[Signature page follows]

² *If such an event has occurred and is continuing, describe such event and the steps, if any, being taken to cure it.*

³ *If any representation or warranty is inaccurate as of the date of this certificate, qualify any statement therein to make such representation or warranty accurate.*

⁴ *If such a change has occurred, describe such change and specify the effects thereof on the financial statements accompanying the certificate.*

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date first above written.

GLOBANT, LLC

By: _____
Name:
Title:

Signature Page to Compliance Certificate

SCHEDULE I
to Compliance Certificate

For the fiscal month/year ended on [_____], 20[__]

Financial Statements

Sch. I-1

SCHEDULE II
to Compliance Certificate

For the immediately preceding four fiscal quarters ending on [_____], 20[__]

[as attached]

Sch. II-1

SECURITY AGREEMENT

SECURITY AGREEMENT, dated as of August 3, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time, this "Agreement"), by and between Globant, LLC, a Delaware limited liability company (together with its successors and assigns, the "Grantor") and HSBC Bank USA, N.A., as Administrative Agent (in such capacity, and together with any successor in such capacity, the "Administrative Agent"), for the benefit of the Secured Parties.

The Borrower, the Lenders party thereto from time to time and the Administrative Agent are parties to that certain Credit Agreement, dated as of August 3, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), providing, subject to the terms and conditions thereof, for the making of extensions of credit and other financial accommodations to the Borrower.

To induce the Lenders to enter into the Credit Agreement and to extend credit and other financial accommodations thereunder, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor has agreed to grant a security interest in the Collateral (as hereinafter defined) as security for the Secured Obligations (as defined in the Credit Agreement). Accordingly, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS; TERMS GENERALLY; ETC.

Section 1.1 **Definitions.** Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement.

Section 1.2 **Certain Uniform Commercial Code Terms.** As used herein, the terms "Accession", "Account", "As-Extracted Collateral", "Chattel Paper", "Commodity Account", "Commodity Contract", "Deposit Account", "Document", "Electronic Chattel Paper", "Equipment", "Fixture", "General Intangible", "Goods", "Instrument", "Inventory", "Investment Property", "Letter of Credit Right", "Payment Intangible", "Proceeds", "Promissory Note", "Software" and "Tangible Chattel Paper" have the respective meanings set forth in Article 9 of the NYUCC, and the terms "Certificated Security", "Entitlement Holder", "Financial Asset", "Instruction", "Securities Account", "Security", "Security Certificate", "Security Entitlement", "Supporting Obligation" and "Uncertificated Security" have the respective meanings set forth in Article 8 of the NYUCC.

Section 1.3 **Additional Definitions.** In addition, as used herein:

"**Collateral**" has the meaning set forth in Article III.

"**Contingent Secured Obligations**" means obligations of the Grantor in respect of (a) acceptances created for the benefit of the Grantor by any Secured Party under any Loan Document, and (b) any other claim that may be payable to any Secured Party by the Grantor under any Loan Document that is not yet due and payable.

“Excluded Accounts” means (a) Deposit Accounts the balance of which consists exclusively of (i) withheld income taxes and federal, state or local employment taxes in such amounts as are required in the reasonable judgment of the Borrower to be paid to the Internal Revenue Service or state or local government agencies with respect to current or former employees of any one or more of the Grantors and (ii) amounts required to be paid over to an employee benefit plan pursuant to DOL Reg. Sec. 25 10.3-102 on behalf of or for the benefit of employees of one or more Grantors or amounts used for workers’ compensation and similar expenses of one or more Grantors, (b) all segregated Deposit Accounts constituting (and the balance of which consists solely of funds set aside in connection with) tax accounts, payroll accounts, trust accounts, social security accounts, any other fiduciary accounts and insurance accounts and (c) certain other Deposit Accounts or Securities Accounts of a Grantor, as the Administrative Agent shall determine in its sole and absolute discretion.

“Grantor” has the meaning set forth in the preamble hereto.

“Initial Pledged Shares” means the Shares of each Issuer beneficially owned by the Grantor on the date hereof and identified in Annex III (Part A).

“Issuers” means, collectively, (a) the respective Persons identified on Annex III (Part A) under the caption “Issuer”, (b) any other Person that shall at any time be a Subsidiary of the Grantor, and (c) the issuer of any equity securities hereafter owned by the Grantor.

“Motor Vehicles” means motor vehicles, tractors, trailers and other like property, if the title thereto is governed by a certificate of title or ownership.

“NYUCC” means the Uniform Commercial Code as in effect from time to time in the State of New York.

“Pledged Shares” means, collectively, (a) the Initial Pledged Shares and (b) all other Shares of any Issuer (subject to the last paragraph of Article III) now or hereafter owned by the Grantor, together in each case with (i) all certificates representing the same, (ii) all shares, securities, moneys or other property representing a dividend on or a distribution or return of capital on or in respect of the Pledged Shares, or resulting from a split-up, revision, reclassification or other like change of the Pledged Shares or otherwise received in exchange therefor, and any warrants, rights or options issued to the holders of, or otherwise in respect of, the Pledged Shares, and (iii) without prejudice to any provision of any of the Loan Documents prohibiting any merger or consolidation by an Issuer, all Shares of any successor entity of any such merger or consolidation.

“Shares” means shares of capital stock of a corporation, limited liability company interests, partnership interests and other ownership or equity interests of any class in any Person (regardless of whether such interests constitute “securities” or “general intangibles” under applicable law).

**ARTICLE II
REPRESENTATION AND WARRANTIES**

The Grantor represents and warrants to the Administrative Agent and the other Secured Parties on and as of the date hereof that:

Section 2.1 **Organizational Matters; Enforceability, Etc.**

(a) The Grantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. The execution, delivery and performance of this Agreement, and the grant of the security interests pursuant hereto, (i) are within the Grantor's powers and have been duly authorized by all necessary limited liability company action, (ii) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except for (1) such as have been obtained or made and are in full force and effect and (2) filings and recordings in respect of the security interests created pursuant hereto, (iii) will not violate any Applicable Law or the charter, by-laws or other organizational documents of the Grantor or any order of any Governmental Authority binding upon the Grantor or its property, (iv) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Grantor or any of its assets, or give rise to a right thereunder to require any payment to be made by any such Person, and (v) except for the security interests created pursuant hereto, will not result in the creation or imposition of any Lien on any asset of the Grantor.

(b) This Agreement has been duly executed and delivered by the Grantor and constitutes, a legal, valid and binding obligation of the Grantor, enforceable against the Grantor in accordance with its terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and (ii) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) Neither the Grantor nor any of its Subsidiaries is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

Section 2.2 **Title.** The Grantor is the sole beneficial owner of the Collateral and no Lien exists upon the Collateral (and no right or option to acquire the same exists in favor of any other Person) other than (a) the security interest created or provided for herein, which security interest constitutes a valid first and prior perfected Lien on the Collateral, and (b) the Liens expressly permitted by the Loan Documents.

Section 2.3 **Names; Filing Details; Etc.** The full and correct legal name, type of organization, jurisdiction of organization and mailing address of the Grantor as of the date hereof are correctly set forth in Annex I. Annex I correctly specifies (a) the place of business of the Grantor or, if the Grantor has more than one place of business, the location of the chief executive office of the Grantor and (b) each location where any financing statement naming the Grantor as debtor is currently on file. The financing statements containing the description of the Collateral that have been prepared for filing in the office specified in Annex I hereto constitute all the filings and recordations that are, as of the Effective Date, necessary to publish notice of and

protect the validity of and to establish a legal, valid and perfected security interest in favor of the Administrative Agent (for the benefit of the Secured Parties) in respect of all Collateral in which a security interest may be perfected by filing such financing statements.

Section 2.4 **Changes in Circumstances.** The Grantor has not (a) within the period of four months prior to the date hereof, changed its location (as defined in Section 9-307 of the NYUCC), (b) within the period of five years prior to the date hereof, except as specified in Annex I, heretofore changed its name, or (c) within five years prior to the date hereof, except as specified in Annex II, heretofore become a “new debtor” (as defined in Section 9-102(a)(56) of the NYUCC) with respect to a currently effective security agreement previously entered into by any other Person.

Section 2.5 **Pledged Shares.**

(a) The Initial Pledged Shares constitute (i) 100% of the issued and outstanding Shares of each Issuer that is a Domestic Subsidiary and Foreign Subsidiary that is not a CFC, in each case, beneficially owned by the Grantor on the date hereof (other than any Shares held in a Securities Account referred to in Annex IV), whether or not registered in the name of the Grantor and (ii) in the case of each Issuer that is a Foreign Subsidiary that is a CFC, (A) 65% of the issued and outstanding shares of voting stock of such Issuer and (B) 100% of all other issued and outstanding shares of capital stock of whatever class of such Issuer beneficially owned by the Grantor on the date hereof, in each case whether or not registered in the name of the Grantor. Annex III (Part A) correctly identifies, as at the date hereof, the respective Issuers of the Initial Pledged Shares and (in the case of any corporate Issuer) the respective class and par value of such Shares and the respective number of such Shares (and registered owner thereof) represented by each such certificate.

(b) The Initial Pledged Shares are, and all other Pledged Shares in which the Grantor shall hereafter grant a security interest pursuant to Article III will be, (i) duly authorized, validly existing, fully paid and non-assessable (in the case of any Shares issued by a corporation) and (ii) duly issued and outstanding (in the case of any Shares in any other entity), and none of such Pledged Shares are or will be subject to any contractual restriction, or any restriction under the organizational documents of the respective Issuer thereof, upon the transfer of such Pledged Shares (except for any such restriction contained herein or in the Loan Documents, or under such organizational documents).

Section 2.6 **Promissory Notes.** Annex III (Part B) sets forth a complete and correct list of all Promissory Notes (other than any held in a Securities Account referred to in Annex IV) held by the Grantor on the date hereof having an aggregate principal amount in excess of \$500,000.

Section 2.7 **Deposit Accounts, Securities Accounts and Commodity Accounts.** Annex IV sets forth a complete and correct list of all Deposit Accounts, Securities Accounts and Commodity Accounts of the Grantor on the date hereof.

Section 2.8 **Commercial Tort Claims.** Annex V sets forth a complete and correct list of all commercial tort claims of the Grantor in existence on the date hereof in an amount in excess of \$100,000.

**ARTICLE III
COLLATERAL**

As collateral security for the payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations, the Grantor hereby pledges and grants to the Administrative Agent, for the ratable benefit of the Secured Parties, a security interest in all of the Grantor's right, title and interest in, to and under the following property, in each case whether tangible or intangible, wherever located, and whether now owned by the Grantor or hereafter acquired and whether now existing or hereafter coming into existence (all of the property described in this Article III being collectively referred to herein as "Collateral"):

- (a) all Accounts;
- (b) all As-Extracted Collateral;
- (c) all Chattel Paper;
- (d) all Deposit Accounts;
- (e) all Documents;
- (f) all Equipment;
- (g) all Fixtures;
- (h) all General Intangibles;
- (i) all Goods not covered by the other clauses of this Article III;
- (j) the Pledged Shares;
- (k) all Instruments, including all Promissory Notes;
- (l) all Inventory;
- (m) all Investment Property not covered by other clauses of this Article III, including all Securities, all Securities Accounts and all Security Entitlements with respect thereto and Financial Assets carried therein, and all Commodity Accounts and Commodity Contracts;
- (n) all Letter of Credit Rights;
- (o) all commercial tort claims, as defined in Section 9-102(a)(13) of the NYUCC, arising out of the events described in Annex V;

(p) all other tangible and intangible personal property whatsoever of the Grantor (excluding, for the avoidance of doubt, Intellectual Property); and

(q) all Proceeds of any of the Collateral, all Accessions to and substitutions and replacements for, any of the Collateral, and all offspring, rents, profits and products of any of the Collateral, and, to the extent related to any Collateral, all books, correspondence, credit files, records, invoices and other papers (including all tapes, cards, computer runs and other papers and documents in the possession or under the control of the Grantor or any computer bureau or service company from time to time acting for the Grantor),

IT BEING UNDERSTOOD, HOWEVER, that the security interest created by this Agreement shall not extend to and the terms "Collateral" and other terms defining the components of the Collateral in the foregoing clauses (a) through (q) shall not include, and none of the representations, warranties, covenants or any other provisions herein or in any other Loan Document shall be deemed to apply to, any of the following: (A) in the case of any of the foregoing that consists of general or limited partnership interests in a general or limited partnership or limited liability company to the extent the security interest granted herein is prohibited by the applicable organizational instrument pursuant to which such partnership or limited liability company is formed; (B) any lease, license, contract, property rights or agreement to which the Grantor is a party (or to any of its rights or interests thereunder) if the grant of such security interest (i) would constitute or result in either (x) the abandonment, invalidation or unenforceability of any right, title or interest of the Grantor therein or (y) in a breach or termination pursuant to the terms of, or a default under, any such lease, license, contract, property rights or agreement, (ii) requires consent, approval, license or authorization from any Governmental Authority or any other Person, or (iii) is prohibited by or is a violation of any Applicable Law (in each case other than to the extent that any such term would be rendered ineffective by Section 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code as in effect in the relevant jurisdiction); (C) the voting stock of any Issuer that is a Foreign Subsidiary that is a CFC in excess of 65% of the aggregate issued and outstanding voting stock of such Issuer; (D) any lease, license or other agreement or any property or rights of the Grantor subject to a purchase money security interest, capital lease obligation or similar arrangements (including permitted refinancings thereof), in each case, to the extent permitted under the Loan Documents, if and for so long as the agreement pursuant to which such Lien is granted (or the document providing such capital lease or similar arrangements) prohibits, or requires the consent of any Person (other than any Loan Party) as a condition to, the creation of any other Lien with respect to such lease, license, other agreement, property or rights unless such consent has been received and is in effect; and (E) any Excluded Accounts.

ARTICLE IV FURTHER ASSURANCES; REMEDIES.

In furtherance of the grant of the security interest pursuant to Article III, the Grantor hereby agrees with the Administrative Agent and the other Secured Parties as follows:

Section 4.1 **Delivery and Other Perfection.** The Grantor shall promptly from time to time give, execute, deliver, file, record, authorize or obtain all such financing statements, continuation statements, notices, instruments, documents, agreements or consents or other papers

as may be necessary or desirable in the judgment of the Administrative Agent, to create, preserve, perfect, maintain the perfection of or validate the security interest granted pursuant hereto or to enable the Administrative Agent to exercise and enforce its rights on behalf of the Secured Parties hereunder with respect to such security interest, and without limiting the foregoing, shall:

(a) if any of the Pledged Shares, Investment Property or Financial Assets constituting part of the Collateral are received by the Grantor, forthwith take such action as the Administrative Agent, may reasonably deem necessary or appropriate to duly record or otherwise perfect the security interest created hereunder in such Collateral;

(b) promptly upon the reasonable request from the Administrative Agent, deliver to the Administrative Agent any and all Instruments constituting part of the Collateral, endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as the Administrative Agent, may request; provided that (other than in the case of the promissory notes described in Annex III (Part B)) so long as no Event of Default shall have occurred and be continuing, the Grantor may retain for collection in the ordinary course any Instruments received by the Grantor in the ordinary course of business and the Administrative Agent shall, promptly upon request of the Grantor, make appropriate arrangements for making any Instrument delivered by the Grantor available to the Grantor for purposes of presentation, collection or renewal (any such arrangement to be effected, to the extent requested by the Administrative Agent, against trust receipt or like document);

(c) promptly upon the reasonable request of the Administrative Agent, enter into such control agreements, each in form and substance reasonably acceptable to the Administrative Agent, as may be required to perfect the security interest created hereby in any and all Deposit Accounts and Securities Accounts to the extent permitted by Applicable Law;

(d) promptly upon request of the Administrative Agent, (i) maintain all Electronic Chattel Paper in excess of \$50,000 so that the Administrative Agent has control of such Electronic Chattel Paper in the manner specified in Section 9-105 of the Uniform Commercial Code of the applicable jurisdiction and (ii) obtain the consent of the issuer to an assignment of proceeds of the applicable letter of credit with respect to any Letter of Credit Rights not constitution Supporting Obligation and are in excess of \$50,000, and will promptly furnish to the Administrative Agent true copies thereof;

(e) keep books and records relating to the Collateral, which shall be full and accurate in all material respects, and stamp or otherwise mark such books and records in such manner as the Administrative Agent may reasonably require in order to reflect the security interests granted by this Agreement; and

(f) permit representatives designated by the Administrative Agent or any Secured Party, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at the expense of the Grantor and at such reasonable times and as often as reasonably requested; provided that when a Default exists the Administrative Agent or any Secured Party (or any of their respective representatives) may do

any of the foregoing at the expense of the Grantor at any time during normal business hours and without advance notice; provided, further, that unless an Event of Default shall have occurred and be continuing, the Grantor shall have been afforded a reasonable opportunity to be present at any such discussion.

Notwithstanding anything to the contrary herein or in any other Loan Document, the Grantor shall not be required to (i) take any collateral perfection action other than the filing of Uniform Commercial Code financing statements or (ii) bear the costs or expenses of any collateral perfection other than as described in clause (i), in each case, except following the request of the Administrative Agent following the occurrence and during the continuance of an Event of Default.

Section 4.2 **Other Financing Statements or Control**. Except as otherwise permitted under the Loan Documents, the Grantor shall not (a) file or suffer to be on file, or authorize or permit to be filed or to be on file, in any jurisdiction, any financing statement or like instrument with respect to any of the Collateral in which the Administrative Agent is not named as the sole secured party, except for any filing or instrument made in connection with any Liens permitted by the Loan Documents or (b) cause or permit any Person other than the Grantor or the Administrative Agent to have “control” (as defined in Section 9-104, 9-105, 9-106 or 9-107 of the NYUCC) of any Deposit Account, Electronic Chattel Paper, or Investment Property or Letter of Credit Right constituting part of the Collateral.

Section 4.3 **Preservation of Rights**. The Administrative Agent shall not be required to take steps necessary to preserve any rights against prior parties to any of the Collateral.

Section 4.4 **Special Provisions Relating to Certain Collateral**.

(a) **Pledged Shares**.

(i) The Grantor will cause the Pledged Shares to constitute at all times (1) 100% of the total number of Shares of each Issuer that is a Domestic Subsidiary and a Foreign Subsidiary that is not a CFC, then issued and outstanding owned by the Grantor and (2) in the case of each Issuer that is a Foreign Subsidiary that is a CFC, 65% of the total number of Shares of voting stock of such Issuer and 100% of the total number of Shares of all other classes of capital stock of such Issuer then issued and outstanding owned by the Grantor.

(ii) So long as no Event of Default shall have occurred and be continuing, the Grantor shall have the right to exercise all voting, consensual and other powers of ownership pertaining to the Pledged Shares for all purposes not inconsistent with the terms of this Agreement, the Loan Documents or any other instrument or agreement referred to herein or therein; and the Administrative Agent shall execute and deliver to the Grantor or cause to be executed and delivered to the Grantor all such proxies, powers of attorney, dividend and other orders, and all such instruments, without recourse, as the Grantor may reasonably request for the purpose of enabling the Grantor to exercise the rights and powers that it is entitled to exercise pursuant to this Section 4.4(a)(ii).

(iii) Unless and until an Event of Default shall have occurred and be continuing, the Grantor shall be entitled to receive and retain any dividends, distributions or proceeds on the Pledged Shares paid in cash out of earned surplus.

(iv) If an Event of Default shall have occurred and be continuing, whether or not the Administrative Agent exercises any available right to declare any Secured Obligations due and payable or seeks or pursues any other relief or remedy available to it under Applicable Law or under this Agreement, the Loan Documents or any other agreement relating to such Secured Obligation, all dividends and other distributions on the Pledged Shares shall be paid directly to the Administrative Agent, for the benefit of the Secured Parties, and retained by it in a cash collateral account as part of the Collateral, subject to the terms of this Agreement, and, if the Administrative Agent shall so request in writing, the Grantor agrees to execute and deliver to the Administrative Agent appropriate additional dividend, distribution and other orders and documents to that end, provided that if such Event of Default is cured, any such dividend or distribution theretofore paid to the Administrative Agent shall, upon request of the Grantor (except to the extent theretofore applied to the Secured Obligations), be returned by the Administrative Agent to the Grantor.

(b) Chattel Paper. The Grantor will cause each original of each item of Chattel Paper at any time constituting part of the Collateral, and (ii) cause each such original and each copy thereof to bear a conspicuous legend, in form and substance reasonably satisfactory to the Administrative Agent, indicating that such Chattel Paper is subject to the security interest granted hereby and that purchase of such Chattel Paper by a Person other than the Administrative Agent without the consent of the Administrative Agent would violate the rights of the Administrative Agent.

Section 4.5 **Remedies**.

(a) Rights and Remedies Generally upon an Event of Default. If an Event of Default shall have occurred and is continuing, the Administrative Agent shall have all of the rights and remedies with respect to the Collateral of a secured party under the NYUCC (whether or not the Uniform Commercial Code is in effect in the jurisdiction where the rights and remedies are asserted) and such additional rights and remedies to which a secured party is entitled under the Applicable Law in effect in any jurisdiction where any rights and remedies hereunder may be asserted, including the right, to the fullest extent permitted by Applicable Law, to exercise all voting, consensual and other powers of ownership pertaining to the Collateral as if the Administrative Agent were the sole and absolute owner thereof (and the Grantor agrees to take all such action as may be appropriate to give effect to such right); and without limiting the foregoing, the Administrative Agent may in each case, at any time after the occurrence and during the continuation of an Event of Default:

(i) in its name or in the name of the Grantor or otherwise, demand, sue for, collect or receive any money or other property at any time payable or receivable on account of or in exchange for any of the Collateral, but shall be under no obligation to do so;

(ii) make any reasonable compromise or settlement deemed desirable with respect to any of the Collateral and may extend the time of payment, arrange for payment in installments, or otherwise modify the terms of, any of the Collateral;

(iii) require the Grantor to notify (and the Grantor hereby authorizes the Administrative Agent so to notify) each account debtor in respect of any Account, Chattel Paper or General Intangible, and each obligor on any Instrument, constituting part of the Collateral that such Collateral has been assigned to the Administrative Agent hereunder, and to instruct that any payments due or to become due in respect of such Collateral shall be made directly to the Administrative Agent or as it may direct (and if any such payments, or any other Proceeds of Collateral, are received by the Grantor they shall be held in trust by the Grantor for the benefit of the Administrative Agent and as promptly as possible remitted or delivered to the Administrative Agent for application as provided herein);

(iv) require the Grantor to assemble the Collateral at such place or places, reasonably convenient to the Administrative Agent and the Grantor, as the Administrative Agent may direct;

(v) apply any cash collateral account and any money or other property therein to payment of the Secured Obligations;

(vi) require the Grantor to cause the Pledged Shares to be transferred of record into the name of the Administrative Agent or its nominee (and the Administrative Agent agrees that if any of such Pledged Shares is transferred into its name or the name of its nominee, the Administrative Agent will thereafter promptly give to the Grantor copies of any notices and communications received by it with respect to such Pledged Shares); and

(vii) sell, lease, assign or otherwise dispose of all or any part of the Collateral, at such place or places as the Administrative Agent deems best, and for cash or for credit or for future delivery (without thereby assuming any credit risk), at public or private sale, without demand of performance or notice of intention to effect any such disposition or of the time or place thereof (except such notice as is required by applicable statute and cannot be waived), and the Administrative Agent or anyone else may be the purchaser, lessee, assignee or recipient of any or all of the Collateral so disposed of at any public sale (or, to the extent permitted by Applicable Law, at any private sale) and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any right or equity of redemption (statutory or otherwise), of the Grantor, any such demand, notice and right or equity being hereby expressly waived and released. The Administrative Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the sale may be so adjourned.

The Proceeds of each collection, sale or other disposition under this Section 4.5, including by virtue of the exercise of any license granted to the Administrative Agent in Section 4.4(b), shall be applied in accordance with Section 4.9.

(b) Certain Securities Act Limitations. The Grantor recognizes that, by reason of certain prohibitions contained in the Securities Act of 1933, as amended, and applicable state securities laws, the Administrative Agent may be compelled, with respect to any sale of all or any part of the Collateral, to limit purchasers to those who will agree, among other things, to acquire the Collateral for their own account, for investment and not with a view to the distribution or resale thereof. The Grantor acknowledges that any such private sales may be at prices and on terms less favorable to the Secured Parties than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Administrative Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Collateral for the period of time necessary to permit the issuer thereof to register it for public sale.

(c) Notice. The Grantor agrees that to the extent the Administrative Agent is required by Applicable Law to give reasonable prior notice of any sale or other disposition of any Collateral, ten (10) Business Days' notice shall be deemed to constitute reasonable prior notice.

Section 4.6 Deficiency. If the proceeds of sale, collection or other realization of or upon the Collateral pursuant to Section 4.5 are insufficient to cover the costs and expenses of such realization and the payment in full of the Secured Obligations, the Grantor shall remain liable for any deficiency.

Section 4.7 Locations; Names, Etc. Without at least thirty (30) days' prior written notice to the Administrative Agent, the Grantor shall not (i) change its location (as defined in Section 9-307 of the NYUCC), (ii) change its name from the name shown as its current legal name on Annex I, or (iii) agree to or authorize any modification of the terms of any item of Collateral that would result in a change thereof from one Uniform Commercial Code category to another such category (such as from a General Intangible to Investment Property), if the effect thereof would be to result in a loss of perfection of, or diminution of priority for, the security interests created hereunder in such item of Collateral, or the loss of control (within the meaning of Section 9-104, 9-105, 9-106 or 9-107 of the NYUCC) over such item of Collateral.

Section 4.8 Private Sale. The Administrative Agent shall incur no liability as a result of the sale of the Collateral, or any part thereof, at any private sale pursuant to Section 4.5 conducted in a commercially reasonable manner. The Grantor hereby waives any claims against the Administrative Agent or any Secured Party arising by reason of the fact that the price at which the Collateral may have been sold at such a private sale was less than the price that might have been obtained at a public sale or was less than the aggregate amount of the Secured Obligations, even if the Administrative Agent accepts the first offer received and does not offer the Collateral to more than one offeree.

Section 4.9 **Application of Proceeds.** Except as otherwise expressly provided herein, the Proceeds of any collection, sale or other realization of all or any part of the Collateral pursuant hereto, and any other cash at the time held by the Administrative Agent under this Article IV, shall be applied by the Administrative Agent in accordance with Section 7.2 of the Credit Agreement.

For purposes hereof, whenever this Agreement contemplates that cash collateral shall be provided for Contingent Secured Obligations, such cash collateral shall be effected by the payment to the Administrative Agent of any amount that will be deposited into a cash collateral account to be held by the Administrative Agent as collateral security for the payment of such Contingent Secured Obligations as and when they become due and payable.

Section 4.10 **Attorney-in-Fact.** Without limiting any rights or powers granted by this Agreement to the Administrative Agent while no Event of Default has occurred and is continuing, upon the occurrence and during the continuance of any Event of Default the Administrative Agent is hereby appointed the attorney-in-fact of the Grantor for the purpose of carrying out the provisions of this Article IV and taking any action and executing any instruments that the Administrative Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, so long as the Administrative Agent shall be entitled under this Article IV to make collections in respect of the Collateral, the Administrative Agent shall have the right and power to receive, endorse and collect all checks made payable to the order of the Grantor representing any dividend, payment or other distribution in respect of the Collateral or any part thereof and to give full discharge for the same.

Section 4.11 **Perfection and Recordation.** The Grantor authorizes the Administrative Agent to file Uniform Commercial Code financing statements describing the Collateral as “all assets” or “all personal property and fixtures” or words of similar effect of the Grantor (provided that no such description shall be deemed to modify the description of Collateral set forth in Article III).

Section 4.12 **Termination and Release.**

(a) When all Commitments shall have expired or terminated and all Secured Obligations (other than unasserted contingent indemnification liabilities) have been paid in full, this Agreement shall terminate and the Collateral shall be automatically released from the Liens granted hereunder and the other Loan Documents without further action by any Person. The Administrative Agent shall forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Collateral and money received in respect thereof, to or on the order of the Grantor and to be released and canceled all licenses and rights referred to in Section 4.4(b). The Administrative Agent shall also, at the expense of the Grantor, execute and deliver to the Grantor upon such termination such Uniform Commercial Code termination statements, and such other documentation as shall be reasonably requested by the Grantor to effect the termination and release of the liens on the Collateral as required by this Section 4.12.

(b) Upon any sale, lease, transfer or other disposition of any item of Collateral of the Grantor and upon the release of the Grantor from its obligations under its Guaranty, in each case permitted by, and in accordance with, the terms of the Loan Documents, the Administrative Agent will, at the Grantor's expense, execute and deliver to the Grantor upon such release or termination such Uniform Commercial Code amendment statements or termination statements, as the case may be and such other documentation as shall be reasonably requested by the Grantor to effect the release of the liens on such item of Collateral or Grantor and return all such Collateral in its possession to the Grantor.

Section 4.13 **Standard of Care.** The powers conferred on the Administrative Agent under this Agreement are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody and preservation of the Collateral in its possession and the accounting for monies actually received by it, the Administrative Agent shall have no other duty as to the Collateral, whether or not the Administrative Agent or any of the other Lenders has or is deemed to have knowledge of any matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to the Collateral. The Administrative Agent hereby agrees to exercise reasonable care in respect of the custody and preservation of the Collateral. The Administrative Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Administrative Agent accords its own property.

ARTICLE V MISCELLANEOUS.

Section 5.1 **Notices.** All notices and other communications provided for herein shall be in writing and shall be delivered pursuant to Section 9.1 of the Credit Agreement.

Section 5.2 **No Waiver.** No failure or delay or course of dealing on the part of the Secured Parties in the exercise of any power, right or privilege hereunder or under any other Loan Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. The rights, powers and remedies given to the Administrative Agent and each Secured Party hereby are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other Loan Documents or any of the Lender Provided Hedging Agreements or any Lender Provided Financial Service Product. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

Section 5.3 **Amendments, Etc.** The terms of this Agreement may be waived, altered or amended only by an instrument in writing duly executed by the Grantor and the Administrative Agent.

Section 5.4 **Expenses.**

(a) The Grantor agrees to reimburse the Administrative Agent for all reasonable and documented out-of-pocket expenses incurred by it (including the reasonable fees, charges and disbursements of legal counsel) in connection with the syndication of the facilities, the preparation, negotiation, execution, delivery, recordation and filing (including all recording and filing fees, and all mortgage, intangible and other taxes) (subject, in each case, to the limitations expressly set forth in any other Loan Document) and administration of the Loan Documents, or any amendment, modification or waiver of the provisions thereof (whether or not the transactions contemplated thereby shall be consummated), sums paid or incurred to pay by the Grantor or any other Loan Party under the Loan Documents and costs to verify the Collateral.

(b) The Grantor further agrees to reimburse each Secured Party upon demand for all reasonable and documented out-of-pocket expenses incurred by such Secured Party in connection with the enforcement or protection of its rights in connection with any Loan Document, including its rights under this Section, and all reasonable and documented out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of any Secured Obligations; (ii) the negotiation of any restructuring or “work out”, whether or not consummated, of any Secured Obligations; (iii) the enforcement or protection of its rights in connection with any Loan Document; and (iv) any claim, litigation, investigation or proceeding relating to any Loan Document.

(c) To the extent that the Grantor for any reason fails to indefeasibly pay any amount required under clause (a) to be paid by it to the Administrative Agent (or sub-agent thereof) or any Related Party, each Lender severally agrees to pay to the Administrative Agent (or any sub-agent) or such Related Party, as the case may be, such Lender’s pro rata share (determined as of the time that the applicable unreimbursed expense or payment is sought based on each Lender’s share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that the unreimbursed expense or payment, as the case may be, was incurred by or asserted against the Administrative Agent (or any sub-agent) or against any Related Party acting for the Administrative Agent (or any sub-agent) in connection with such capacity. The obligations of the Lenders under this clause are several and not joint.

(d) All amounts due under this Section shall be payable promptly after demand therefor.

Section 5.5 **Successors and Assigns.** This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and the successors and assigns of the Secured Parties. The Grantor’s rights and obligations hereunder and any interest therein may not be assigned or delegated by the Grantor without the prior written consent of the Administrative Agent (and any purported assignment or delegation without such consent shall be null and void).

Section 5.6 **Counterparts.** This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed

counterpart of a signature page of this Agreement by telecopy or in electronic (i.e., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 5.7 **Governing Law; Jurisdiction; Service of Process and Venue.**

(a) **Governing Law.** This Agreement and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement and the transactions contemplated hereby shall be governed by, and construed in accordance with, the law of the State of New York, without regard to conflicts of law principals except Title 14 of Article 5 of the New York General Obligations law.

(b) **Consent to Jurisdiction.** The Grantor irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any other Secured Party or any Related Party of the foregoing in any way relating to this Agreement or the transactions relating hereto, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court for the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, in any way relating to this Agreement or the transactions relating hereto may be heard and determined in such New York State court or, to the fullest extent permitted by Applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Applicable Law. Nothing in this Agreement shall affect any right that the Administrative Agent or any other Secured Party may otherwise have to bring any action or proceeding relating to this Agreement against the Grantor or its properties in the courts of any jurisdiction. The Grantor irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement in any court referred to in this clause (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 5.1. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

Section 5.8 **WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B)**

ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 5.9 **Headings.** Article and Section headings used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 5.10 **Severability.** Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 5.11 **Entire Agreement.** This Agreement and the other Loan Documents represent the entire agreement among the parties relating to the subject matter hereof and thereof, and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

Section 5.12 **No Fiduciary Relationship.** The Secured Parties and the Administrative Agent may have economic interests that conflict with those of the Grantor, its stockholders and/or its Affiliates. The Grantor agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Secured Party or the Administrative Agent, on the one hand, and the Grantor, its stockholders or its Affiliates, on the other. The Grantor acknowledges and agrees that (a) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions and (B) in connection therewith and with the process leading thereto (i) no Secured Party nor the Administrative Agent has assumed an advisory or fiduciary responsibility in favor of the Grantor, its stockholder or its Affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Secured Party or the Administrative Agent has advised, is currently advising or will advise the Grantor, its stockholders or its Affiliates on other matters) or any other obligation to the Grantor except the obligations expressly set forth in the Loan Documents and (ii) each Secured Party and the Administrative Agent is acting solely as principal and not as the agent or fiduciary for the Grantor, its management, stockholders, creditors or any other Person. The Grantor acknowledges and agrees that the Grantor has consulted its own legal and financial advisors to the extent it deemed appropriate and it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Grantor agrees that it will not claim that the Administrative Agent or any Secured Party has rendered advisory services of any nature or respect, or owes any fiduciary or similar duty to the Grantor, in connection with such transaction or the process leading thereto.

Section 5.13 **Setoff.** If an Event of Default shall have occurred and be continuing, each Lender, each other Secured Party and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever

currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender, such other Secured Party or any such Affiliate, to or for the credit or the account of the Grantor against any and all of the obligations of the Grantor or any other Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or such other Secured Party or their respective Affiliates, irrespective of whether or not such Lender, such other Secured Party or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Grantor or such Loan Party may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender or such other Secured Party different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness.

[Signature Page Follows]

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

GLOBANT, LLC

By /s/ Alejandro Scannapieco

Name: Alejandro Scannapieco

Title: Chief Financial Officer

Signature Page to Security Agreement

HSBC BANK USA, N.A.,
as Administrative Agent

By /s/ Vanessa Printz

Name: Vanessa Printz

Title: Senior Vice President 19402
Commercial Banking
HSBCBank USA, N.A.

Signature Page to Security Agreement

NAMES, LOCATIONS AND FILING DETAILS

[See Sections 2.3, 2.4 and 4.7]

Names

Grantor's correct legal name:	Previous names:	Additional names:	Type of organization:	Jurisdiction of organization
Globant, LLC	N/A	N/A	Limited Liability Company	Delaware

Principal Place of Business

Grantor:	Principal Place of Business:
Globant, LLC	875 Howard Street, Suite 320, San Francisco, CA 94103

Changes in Circumstances

None.

Filing Office

Grantor:	Filing Office:
Globant, LLC	Delaware Secretary of State

Annex I to Security Agreement

NEW DEBTOR EVENTS

[See Section 2.4]

None.

Annex II to Security Agreement

PLEDGED SHARES AND PROMISSORY NOTES

[See definition of “Issuers” and “Initial Pledged Shares” in Section 1.3 and Sections 2.5, 2.6, 3(j), 3(k), and 4.1(b)]

Part A

Pledged Stock, Pledged Partnership Interests and Pledged LLC Interests

<u>Grantor:</u>	<u>Issuer:</u>	<u>Class of Equity Interest:</u>	<u>Par Value:</u>	<u>Certificate No(s).</u>	<u>No. of Shares/Units</u>	<u>Percentage of Outstanding Shares/Units</u>
Globant, LLC	L4 Mobile LLC	Membership Interest	N/A	N/A	100%	100%
Globant, LLC	Ratio Cypress LLC	Membership Interest	N/A	N/A	100%	100%
Globant, LLC	Point Source LLC	Membership Interest	N/A	N/A	100%	100%

Part B

Pledged Notes

None.

Annex III to Security Agreement

LIST OF DEPOSIT ACCOUNTS, AND SECURITIES ACCOUNTS AND COMMODITY ACCOUNTS

[See Section 2.7]

Securities Accounts

<u>Grantor</u>	<u>Type of Account</u>	<u>Name of Approved Securities Intermediary</u>	<u>Account Number</u>
Globant, LLC	Asset	J.P. Morgan	

Commodity Accounts

None.

Deposit Accounts

<u>Grantor</u>	<u>Type of Account</u>	<u>Name of Approved Depository Bank</u>	<u>Account Number</u>
Globant, LLC	Checking	Citibank	
Globant, LLC	Checking	Citibank	
Globant, LLC	Checking	HSBC	
Globant, LLC	Savings	HSBC	
Globant, LLC	Checking	Bridge Bank	

Annex IV to Security Agreement

LIST OF COMMERCIAL TORT CLAIMS

[See Sections 2.8 and 3(q)]

None.

Annex V to Security Agreement

List of Subsidiaries

Globant España S.A. (sociedad unipersonal)	Spain	100% Globant S.A. (Luxembourg)
Software Product Creation S.L.	Spain	52.28% Globant España S.A. (sociedad unipersonal) 47.72% Globant S.A. (Luxembourg)
Sistemas Colombia S.A.S.	Colombia	99.99% Globant España S.A. (sociedad unipersonal) 00.01% Software Product Creation SL
Globant, LLC	USA	100% Globant España S.A. (sociedad unipersonal)
Sistemas Globales Uruguay S.A.	Uruguay	100% Globant España S.A. (sociedad unipersonal)
Difier S.A.	Uruguay	100% Globant España S.A. (sociedad unipersonal)
Sistemas UK Ltd.	England & Wales	100% Globant España S.A. (sociedad unipersonal)
We Are London Ltd.	England & Wales	100% Globant España S.A. (sociedad unipersonal)
Sistemas Globales Chile Asesorías Ltda.	Chile	95.00% Globant España S.A. (sociedad unipersonal) 05.00% Software Product Creation S.L.
Global Systems Outsourcing S. de R.L. de C.V.	Mexico	99.99% Globant España S.A. (sociedad unipersonal) 00.01% IAFH Global S.A.
IAFH Global S.A.	Argentina	99.9989% Globant España S.A. (sociedad unipersonal) 00.0011% Software Product Creation S.L.
Sistemas Globales S.A.	Argentina	99.9978% Globant España S.A. (sociedad unipersonal) 00.0022% Software Product Creation S.L.
Globant Brasil Consultoria Ltda.	Brazil	99.99% Globant España S.A. (sociedad unipersonal) 00.01% Software Product Creation SL
Huddle Group S.A.	Argentina	98.60% Globant España S.A. (sociedad unipersonal) 01.40% Software Product Creation S.L.
Globant Peru S.A.C.	Peru	99.99% Globant España S.A. (sociedad unipersonal) 00.01% Software Product Creation S.L.
Globers S.A.	Argentina	95.00% IAFH Global S.A. 05.00% Sistemas Globales S.A.
Globant India Pvt. Ltd.	India	90.39% Globant España S.A. (sociedad unipersonal)
Dynaflows S.A.	Argentina	66.73% Sistemas Globales S.A.
Globant Canada Corp.	Canada	100% Globant España S.A. (sociedad unipersonal)

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. §1350)

I, Martín Migoya, certify that:

1. I have reviewed this annual report on Form 20-F of Globant S.A. (the “Company”) for the fiscal year ended December 31, 2017;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this annual report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: April 13, 2018

/s/ Martín Migoya

Martín Migoya

Chief Executive Officer

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. §1350)

I, Alejandro Scannapieco, certify that:

1. I have reviewed this annual report on Form 20-F of Globant S.A. (the "Company") for the fiscal year ended December 31, 2017;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this annual report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: April 13, 2018

/s/ Alejandro Scannapieco

Alejandro Scannapieco

Chief Financial Officer

Officer Certifications Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), the undersigned officer of Globant S.A (the “Company”), hereby certifies, to such officer’s knowledge, that:

The annual report on Form 20-F for the year ended December 31, 2017 (the “Report”) of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 13, 2018

/s/ Martín Migoya

Martín Migoya

Chief Executive Officer

Officer Certifications Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), the undersigned officer of Globant S.A (the "Company"), hereby certifies, to such officer's knowledge, that:

The annual report on Form 20-F for the year ended December 31, 2017 (the "Report") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 13, 2018

/s/ Alejandro Scannapieco

Alejandro Scannapieco
Chief Financial Officer



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CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in registration statements on Form S-8 (No. 333-201602 and 333-211835) of Globant S.A. of our reports dated April 3, 2018, relating to the consolidated financial statements as of December 31, 2017 and 2016 and for each of three years in the period ended December 31, 2017, and the effectiveness of Globant S.A.'s internal control over financial reporting as of December 31, 2017, which reports express an unqualified opinion, appearing in the annual report on Form 20-F for the year ended December 31, 2017 of Globant S.A.

/s/ Deloitte & Co. S.A.

City of Buenos Aires, Argentina
April 13, 2018

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