

TECH DATA CORP

FORM 10-K (Annual Report)

Filed 03/24/16 for the Period Ending 01/31/16

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

FORM 10-K

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended January 31, 2016
- OR**
- TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to .

Commission File Number 0-14625



TECH DATA CORPORATION

(Exact name of Registrant as specified in its charter)

Florida
(State or other jurisdiction of
incorporation or organization)
5350 Tech Data Drive
Clearwater, Florida
(Address of principal executive offices)

59-1578329
(I.R.S. Employer
Identification Number)

33760
(Zip Code)

(Registrant's Telephone Number, including Area Code): (727) 539-7429

Securities registered pursuant to Section 12(b) of the Act:
Common stock, par value \$.0015 per share
Securities registered pursuant to Section 12 (g) of the Act: **None**

Indicate by a check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by a check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. 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 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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

- | | | | |
|-------------------------|-------------------------------------|---------------------------------|--------------------------|
| Large accelerated Filer | <input checked="" type="checkbox"/> | Accelerated Filer | <input type="checkbox"/> |
| Non-accelerated Filer | <input type="checkbox"/> | Smaller Reporting Company Filer | <input type="checkbox"/> |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

Aggregate market value of the voting stock held by non-affiliates was \$2,036,301,933 based on the reported last sale price of common stock on July 31, 2015 which is the last business day of the registrant's most recently completed second fiscal quarter.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

<u>Class</u>	<u>March 9, 2016</u>
Common stock, par value \$.0015 per share	35,087,522

DOCUMENTS INCORPORATED BY REFERENCE

The registrant's Proxy Statement for use at the Annual Meeting of Shareholders on June 1, 2016, is incorporated by reference in Part III of this Form 10-K to the extent stated herein.

TABLE OF CONTENTS

PART I		
ITEM 1.	Business	3
ITEM 1A.	Risk Factors	10
ITEM 1B.	Unresolved Staff Comments	12
ITEM 2.	Properties	12
ITEM 3.	Legal Proceedings	12
ITEM 4.	Mine Safety Disclosures	13
PART II		
ITEM 5.	Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	14
ITEM 6.	Selected Financial Data	17
ITEM 7.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	18
ITEM 7A.	Quantitative and Qualitative Disclosures about Market Risk	36
ITEM 8.	Financial Statements and Supplementary Data	37
ITEM 9.	Changes in and Disagreements With Accountants on Accounting and Financial Disclosure	64
ITEM 9A.	Controls and Procedures	64
ITEM 9B.	Other Information	66
PART III		
ITEM 10	Directors, Executive Officers and Corporate Governance	67
ITEM 11	Executive Compensation	67
ITEM 12	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	68
ITEM 13	Certain Relationships and Related Transactions, and Director Independence	68
ITEM 14.	Principal Accountant Fees and Services	68
PART IV		
ITEM 15.	Exhibits, Financial Statement Schedules	69
Signatures		75
Exhibits		
Certifications		

PART I

ITEM 1. *Business.*

OVERVIEW

Tech Data Corporation ("Tech Data", "we", "our", "us" or the "Company") is one of the world's largest wholesale distributors of technology products. We serve as an indispensable link in the technology supply chain by bringing products from the world's leading technology vendors to market, as well as providing our customers with advanced logistics capabilities and value-added services. Our customers include approximately 105,000 value-added resellers ("VARs"), direct marketers, retailers and corporate resellers who support the diverse technology needs of end users. We sell to customers in more than 100 countries throughout North America, South America, Europe, the Middle East and Africa. The two primary geographic markets we serve are the Americas and Europe. For a discussion of our geographic reporting segments, see Item 8, "Financial Statements and Supplementary Data."

Some of our key financial objectives are to gain share in select product areas in the geographies in which we operate and to improve operating income by growing gross profit faster than operating costs. In addition, we focus on deploying the right level of capital that yields solid operating cash flow generation and a return on invested capital that is above our weighted average cost of capital.

Key to achieving our financial objectives is our strategy of execution, diversification and innovation that we believe differentiates our business in the marketplace.

Execution is fundamental to our business success. We have 22 logistics centers where each day, tens of millions of dollars of technology products are received from vendors, picked and packed and shipped to our customers. Products are generally shipped from regionally located logistics centers the same day the orders are received. In addition, execution is marked by a high level of service provided to our customers through our company's technical, sales and marketing support, electronic commerce tools, product integration services and financing programs.

Our diversification strategy seeks to continuously remix our product, customer and services portfolios towards higher growth and higher return market segments through organic growth initiatives and acquisitions. We believe that as industry standardization, cloud computing, mobility, the Internet of Things ("IoT") and other potentially disruptive factors transform the way technology is used and delivered, we will leverage our highly efficient infrastructure to capture new market opportunities in our strategic focus areas of data center, software, mobility, consumer electronics, integrated supply chain services and other value-added service offerings.

The final tenet of our strategy is innovation. Our IT systems and e-business tools and programs have provided our business with the flexibility to effectively navigate fluctuations in market conditions, structural changes in the technology industry, as well as changes created by products we sell. These IT systems and e-business tools and programs have also worked to strengthen our vendor and customer relationships, while at the same time improving the efficiency of these business partners.

We believe our strategy of execution, diversification and innovation will continue to strengthen our value proposition with vendor partners and reseller customers while positioning us for continued market expansion and profitable growth.

HISTORY

Tech Data was incorporated in 1974 to market data processing supplies such as tapes, disk packs, and custom and stock tab forms for mini and mainframe computers directly to end users. With the advent of microcomputer dealers, we made the transition to a wholesale distributor in 1984 by broadening our product line to include hardware products and withdrawing entirely from end-user sales.

From fiscal 1989 through fiscal 2011, we expanded geographically through the acquisitions of several distribution companies in both the Americas and Europe, strengthening our position in certain product and customer segments. In fiscal 2008, we executed an agreement with Brightstar Corp. ("Brightstar"), one of the world's largest wireless products distributors and supply chain solutions providers, to establish a joint venture in Europe. In fiscal 2013, we acquired Brightstar's fifty percent ownership interest in this joint venture, hereinafter referred to as Tech Data Mobile. Tech Data Mobile distributes mobile phones and other wireless devices to a variety of customers including mobile operators, dealers, agents, retailers and e-tailers in certain European markets.

In fiscal 2012, we made two acquisitions in the European technology distribution marketplace. The addition of these businesses expanded our product and customer portfolios and continued to add desired skill sets, while leveraging our logistics infrastructure in Europe. Also in fiscal 2012, we executed an agreement with Brightstar to establish TDMobility, a joint venture in the United States. In fiscal 2014, we acquired Brightstar's fifty percent ownership interest in this joint venture, hereinafter referred to as Tech Data Mobile Solutions. Tech Data Mobile Solutions simplifies the selling, delivery and support of mobile services for our reseller customers serving the small and medium business markets.

In fiscal 2013, we completed the acquisition of several distribution companies of Specialist Distribution Group (collectively "SDG"), the distribution arm of Specialist Computer Holdings PLC, a privately-held IT services company headquartered in the United Kingdom. The acquisition of SDG supports the Company's diversification strategy by strengthening its European data center and broadband offerings in

key markets and expanding the Company's vendor and customer portfolios, while leveraging the Company's existing pan-European infrastructure.

In March 2015, we entered into an agreement for the sale of our business operations in Chile and Peru and also committed to a plan to exit our business operations in Uruguay as we did not believe these operations would generate consistently acceptable returns on invested capital. In June 2015, the Company completed the acquisition of Signature Technology Group, Inc. ("STG"), a provider of data center and professional services throughout North America.

INDUSTRY

The wholesale distribution model has proven to be well suited for both manufacturers and publishers of technology products (also referred to in this document as "vendors") and resellers of those products. The large number of resellers makes it cost efficient for vendors to rely on wholesale distributors to serve this diverse and highly fragmented customer base.

Resellers in the traditional distribution model are able to build efficiencies and reduce their costs by relying on distributors, such as Tech Data, for a number of services, including multi-vendor solutions, product configuration/integration, marketing support, financing, technical support, and inventory management, which includes direct shipment to end-users and, in some cases, provides end-users with the distributors' inventory availability.

Due to the large number of vendors and products, resellers often cannot, or choose not to, establish direct purchasing relationships with vendors. As a result, they frequently rely on wholesale distributors, such as Tech Data, who leverage purchasing costs across multiple vendors to satisfy a significant portion of the resellers' product procurement, logistics, financing, marketing and technical support needs.

The technology distribution industry continues to address a broad spectrum of reseller and vendor requirements. While some vendors have elected to sell directly to resellers or end-users for particular customer and product segments, we believe that a vast majority of vendors continue to embrace traditional distributors that have proven capabilities to manage multiple products and resellers, provide access to fragmented markets, and deliver products in a cost-effective and efficient manner.

New products and market opportunities have helped to offset the impact on technology distributors of vendor direct sales. Further, vendors continue to seek the logistics expertise of distributors to penetrate highly fragmented markets such as the small- and medium-sized business ("SMB") sector, which relies on VARs, our primary customer base, to gain access to and support for new technology. The economies of scale and global reach of large industry-leading and well-capitalized distributors are expected to continue to be significant competitive advantages in this marketplace.

PRODUCTS AND VENDORS

We distribute and market hundreds of thousands of products from more than 1,200 of the world's leading technology hardware suppliers, networking equipment suppliers, software publishers, and other suppliers of technology peripherals, consumer electronics, digital displays and mobile phone hardware and accessories. These products are typically purchased directly from the vendor on a non-exclusive basis. Conversely, our vendor agreements do not restrict us from selling similar products manufactured by competitors, nor do they require us to sell a specified quantity of product. As a result, we have the flexibility to terminate or curtail sales of one product line in favor of another due to technological change, pricing considerations, product availability, customer demand, or vendor distribution policies. Overall, we believe that our diversified and evolving product portfolio will provide a solid platform for continued growth.

We continually evolve our product line in order to provide our customers with access to the latest technology products. However, from time to time, the demand for certain products that we sell exceeds the supply available from the vendor. In such cases, we generally receive an allocation of the available products. We believe that our ability to compete is not adversely affected by these periodic shortages and the resulting allocations.

We believe that our vendor agreements are in the form customarily used by manufacturers and distributors. Agreements typically contain provisions that allow termination by either party upon a short notice period. In most instances, a vendor who elects to terminate a distribution agreement will repurchase the vendor's products carried in the distributor's inventory.

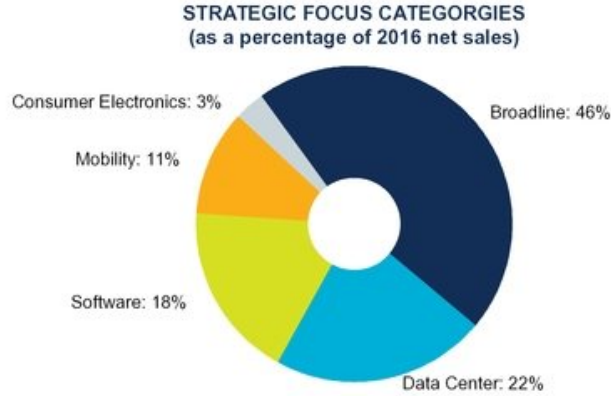
Many of our vendor agreements also allow for stock rotation and price protection provisions. Stock rotation rights give us the ability, subject to certain limitations, to return for credit or exchange a portion of those inventory items purchased from the vendor. Price protection situations occur when a vendor credits us for declines in inventory value resulting from the vendor's price reductions. Along with our inventory management policies and practices, these provisions reduce our risk of loss due to slow-moving inventory, vendor price reductions, product updates or obsolescence.

Sometimes the industry practices discussed above are not embodied in agreements and do not protect us in all cases from declines in inventory value. However, we believe that these practices provide a significant level of protection from such declines, although no assurance can be given that such practices will continue or that they will adequately protect us against declines in inventory value. We sell products in various countries throughout the world, and product categories may vary from region to region. Our consolidated revenue mix may fluctuate between and within our operating segments as well as within our product categories. These fluctuations can be influenced by our diversification strategies, new product offerings and supply and demand fluctuations within our operating regions.

Our product mix is divided into five strategic focus categories, which are primarily comprised of the following products:

Broadline	notebooks, tablets, desktops, printers, printer supplies and components
Data center	industry standard servers, proprietary servers, networking, and storage
Software	virtualization, cloud, security, desktop applications, operating systems and utilities software
Mobility	mobile phones and accessories
Consumer electronics	TV's, digital displays, consumer audio-visual devices and network-attached consumer devices

Our consolidated net sales for fiscal 2016, 2015 and 2014 within our strategic focus categories approximated the following:



Year ended January 31:	2015	2014
Broadline	47%	46%
Data center	22%	23%
Software	18%	18%
Mobility	10%	9%
Consumer electronics	3%	4%

We generated approximately 20%, 15% and 13% of our consolidated net sales in fiscal 2016, 2015 and 2014, respectively, from products purchased from Apple, Inc. In addition, approximately 18%, 19% and 21% of our consolidated net sales in fiscal 2016, 2015 and 2014 were generated from products purchased from Hewlett-Packard Company ("HP"). HP split into two companies, HP Inc. ("HPI") and Hewlett Packard Enterprise ("HPE"), effective November 1, 2015. The amounts presented in relation to HP include the combined sales generated from products purchased from HPI and HPE. There were no other vendors that accounted for 10% or more of our consolidated net sales in fiscal 2016, 2015 and 2014.

CUSTOMERS AND SERVICES

Our products are purchased directly from vendors in significant quantities and are marketed to an active reseller base of approximately 105,000 VARs, direct marketers, retailers and corporate resellers. No single customer accounted for more than 10% of our net sales during fiscal 2016, 2015 and 2014.

The market for VARs is attractive because VARs generally rely on distributors as their principal source of technology products and the related financing for the products. This reliance is due to VARs typically not wanting to invest the resources to establish a large number of direct purchasing relationships or stock significant product inventories. Direct marketers, retailers and corporate resellers may establish direct relationships with vendors for their highest volume products, but utilize distributors as the primary source for other product requirements and an alternative source for products acquired directly.

In addition to an extensive product offering from the world's leading technology vendors, we provide resellers a high level of customer service through our training and technical support, suite of electronic commerce tools, customized shipping documents, product

[Table of Contents](#)

configuration/integration services and access to flexible financing programs. We also provide services to our vendors by providing them the opportunity to participate in a number of special promotions and marketing services targeted to the needs of our resellers.

As part of our aforementioned diversification strategy, our other strategic areas of focus for the company are integrated supply chain services designed to provide innovative third party logistics and other service offerings to our business partners, as well as value-added, professional services designed to augment our customers' technical capabilities. Service revenues were less than 10% of our consolidated net sales during fiscal 2016, 2015 and 2014.

We provide our vendors with access to one of the largest bases of resellers throughout the Americas and Europe, delivering products to those resellers from our 22 regionally located logistics centers. We have located our logistics centers near our customers which enables us to deliver products on a timely basis, thereby reducing the customers' need to invest in inventory (see also Item 2, "Properties" for further discussion of our locations and logistics centers).

SALES AND ELECTRONIC COMMERCE

Our sales team consists of field sales and inside telemarketing sales representatives. The sales representatives are provided comprehensive training on our policies and procedures, the technical specifications of products, and attend product seminars offered by our vendors. Field sales representatives are typically located in major metropolitan areas in their respective geographies and are supported by inside telemarketing sales teams covering a designated territory. Our team concept provides a strong personal relationship between our customers' representatives and Tech Data. Customers typically call our inside sales teams on dedicated telephone numbers or contact us through various electronic methods to place orders. If the product is in stock and the customer has available credit, customer orders are generally shipped the same day from the logistics center nearest the customer or the intended end-user.

Customers often utilize our electronic ordering and information systems. Through our website, customers can gain remote access to our information systems to place orders, or check order status, inventory availability and pricing. Certain of our larger customers have electronic data interchange ("EDI") services available whereby orders, order acknowledgments, invoices, inventory status reports, customized pricing information and other industry standard EDI transactions are consummated on-line, which improves efficiency and timeliness for the Company and our customers.

COMPETITION

We operate in a market characterized by intense competition, based on such factors as product availability, credit terms and availability, price, speed of delivery, effectiveness of information systems and e-commerce tools, ability to tailor solutions to customers' needs, quality and depth of product lines and training, as well as service and support provided by the distributor to the customer. We believe we are well equipped to compete effectively with other distributors in all of these areas.

We compete against several distributors in the Americas market, including broad-based IT product distributors such as Ingram Micro Inc. ("Ingram Micro"), Synnex Corp., and to a lesser extent, more specialized distributors such as Arrow Electronics, Inc. ("Arrow") and Avnet, Inc. ("Avnet"), along with some regional and local distributors. The competitive environment in Europe is more fragmented, with market share spread among several regional and local competitors such as ALSO/Actebis and Esprinet, as well as international distributors such as Ingram Micro, Westcon Group, Inc., Arrow and Avnet.

The Company also faces competition from companies entering or expanding into the logistics and product fulfillment and e-commerce supply chain services market. Additionally, certain direct sales relationships between manufacturers, resellers, and end-users continue to introduce change into the competitive landscape of our industry. As we expand our business into new areas, we may face increased competition from other distributors as well as vendors. However, we believe vendors will continue to sell their products through distributors, such as Tech Data, due to our ability to provide them with access to our broad customer base and serve them in a highly cost-effective and efficient manner. Our logistics capabilities, as well as our sales and marketing, credit and product management expertise, allow our vendors to expand their market coverage while lowering their selling, inventory and fulfillment costs.

EMPLOYEES

On January 31, 2016, we had approximately 9,000 employees (as measured on a full-time equivalent basis). Certain of our employees in various countries outside of the United States are subject to laws providing representation rights to employees through workers' councils. Our success depends on the talent and dedication of our employees and we strive to attract, hire, develop and retain outstanding employees. We believe significant benefits are realized from having a strong and seasoned management team with many years of experience in technology distribution and related industries. We consider relations with our employees to be good.

FOREIGN AND DOMESTIC OPERATIONS AND EXPORT SALES

We operate predominately in a single industry segment as a distributor of technology products, logistics management, and other value-added services. While we operate primarily in one industry, we manage our business in two geographic segments: the Americas and Europe.

Over the past several years, we have expanded our presence in certain existing markets and exited certain markets based upon our assessment of, among other factors, our earnings potential and the risk exposure in those markets, including foreign currency exchange, regulatory and political risks. To the extent we decide to close any of our operations, we may incur charges and operating losses related to such closures and recognize a portion of our accumulated other comprehensive income in connection with such a disposition. For information on our net sales, operating income and identifiable assets by geographic region, see Note 14 of Notes to Consolidated Financial Statements.

ASSET MANAGEMENT

We manage our inventories in a manner that allows us to maintain sufficient quantities to achieve high order fill rates while attempting to stock only those products in high demand that have a rapid turnover rate. Our business, like that of other distributors, is subject to the risk that the value of inventory will be impacted adversely by suppliers' price reductions or by technological changes affecting the usefulness or desirability of the products comprising the inventory. Our contracts with many of our vendors provide price protection and stock rotation privileges to reduce the risk of loss due to manufacturer price reductions and slow moving or obsolete inventory. In the event of a vendor price reduction, we generally receive a credit for the impact on products in inventory and we have the right to rotate a certain percentage of purchases, subject to certain limitations. Historically, price protection and stock rotation privileges, as well as our inventory management procedures, have helped reduce the risk of loss of inventory value.

We attempt to control losses on credit sales by closely monitoring customers' creditworthiness through our IT systems, which contain detailed information on each customer's payment history and other relevant information. In certain countries, we have obtained credit insurance that insures a percentage of the credit extended by us to certain customers against possible loss. The Company also has arrangements with certain finance companies that provide inventory financing facilities to our customers as an additional approach to mitigate credit risk. Certain of the Company's vendors subsidize these financing arrangements for the benefit of our customers. Customers who qualify for credit terms are typically granted net 30-day payment terms in the Americas. While credit terms in Europe vary by country, the vast majority of customers are granted credit terms ranging from 30 to 60 days. We also sell products on a prepayment, credit card and cash-on-delivery basis.

ADDITIONAL INFORMATION AVAILABLE

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended. We therefore file our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Proxy Statements, and other documents with the Securities and Exchange Commission (the "SEC"). Such reports may be obtained by visiting the Public Reference Room of the SEC at 100 F Street, NE, Washington, D.C. 20549. Information on the operation of the Public Reference Room can be obtained by calling the SEC at (800) SEC-0330. In addition, the SEC maintains an Internet site (www.sec.gov) that contains reports, proxy and information statements and other information.

Our principal Internet address is www.techdata.com. We make available free of charge, through our website, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports, as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information on Tech Data's website is not incorporated into this Form 10-K or the Company's other securities filings and is not a part of them.

EXECUTIVE OFFICERS

The following table sets forth the name, age and title of each of the persons who were serving as executive officers of Tech Data as of March 24, 2016:

Name	Age	Title
Robert M. Dutkowsky	61	Chief Executive Officer
Charles V. Dannewitz	61	Executive Vice President and Chief Financial Officer
Richard T. Hume	56	Executive Vice President and Chief Operating Officer
John A. Tonnison	47	Executive Vice President, Cloud Computing and Chief Information Officer
Néstor Cano	51	President, Europe
Joseph H. Quaglia	51	President, the Americas
Alain Amsellem	56	Senior Vice President and Chief Financial Officer, Europe
Beth E. Simonetti	50	Senior Vice President and Chief Human Resources Officer
Jeffrey L. Taylor	49	Senior Vice President and Corporate Controller
Joseph B. Trepani	55	Senior Vice President and Chief Financial Officer, the Americas
David R. Vetter	56	Senior Vice President, General Counsel and Secretary

Robert M. Dutkowsky, Chief Executive Officer, joined Tech Data as Chief Executive Officer and was appointed to the Board of Directors in October 2006. His career began with IBM where, during his 20-year tenure, he served in several senior management positions including Vice President, Distribution - IBM Asia/Pacific. Prior to joining Tech Data, Mr. Dutkowsky served as President, CEO, and Chairman of the Board of Egenera, Inc. (a software and virtualization technology company), from 2004 until 2006, and served as President, CEO, and Chairman of the Board of J.D. Edwards & Co., Inc. (a software company) from 2002 until 2004. He was President, CEO, and Chairman of the Board of GenRad, Inc. from 2000 until 2002. Starting in 1997, Mr. Dutkowsky was Executive Vice President, Markets and Channels, at EMC Corporation before being promoted to President, Data General, in 1999. Mr. Dutkowsky holds a Bachelor of Science in Industrial and Labor Relations from Cornell University.

Charles V. Dannewitz, Executive Vice President and Chief Financial Officer, joined the Company in February 1995 as Vice President of Taxes. He was promoted to Senior Vice President of Taxes in March 2000, and assumed responsibility for worldwide treasury operations in July 2003. In February 2014, he was appointed Senior Vice President and Chief Financial Officer, the Americas. In June 2015, he was promoted to Executive Vice President and Chief Financial Officer. Prior to joining the Company, Mr. Dannewitz was employed by Price Waterhouse from 1981 to 1995, most recently as a tax partner. Mr. Dannewitz is a Certified Public Accountant and holds a Bachelor of Science in Accounting from Illinois Wesleyan University.

Richard T. Hume, Executive Vice President and Chief Operating Officer, joined the Company in March 2016. Prior to his appointment at the Company, Mr. Hume was employed for over thirty years at IBM. Most recently, from January 2015 to February 2016, Mr. Hume served as General Manager and Chief Operating Officer of Infrastructure and Outsourcing. Prior to that position, from January 2012 to January 2015, Mr. Hume served as General Manager, Europe where he led IBM's multi-brand European organization. From 2008 to 2011, Mr. Hume served as General Manager, Global Business Partners, directing the growth and channel development initiatives for IBM's Business Partner Channel. Mr. Hume holds a Bachelor of Science in Accounting from Pennsylvania State University.

John A. Tonnison, Executive Vice President, Cloud Computing and Chief Information Officer, joined the Company in March 2001 as Vice President, Worldwide E-Business and was promoted to Senior Vice President of IT Americas in December 2006. In February 2010, he was appointed to Executive Vice President and Chief Information Officer. In July 2015, additional responsibilities were added to the role to include leadership of the strategic directions, operations and go-to-market execution of the Company's cloud business. Prior to joining the Company, Mr. Tonnison held executive management positions in the U.S., United Kingdom and Germany with

Computer 2000, Technology Solutions Network and Mancos Computers. Mr. Tonnison was educated in the United Kingdom and became a U.S. citizen in 2006.

Néstor Cano, President, Europe , joined Computer 2000 (and the Company via acquisition) in July 1989 as a Software Product Manager and served in various management positions within the Company's operations in Spain and Portugal from 1990 to 1995, after which time he was promoted to Regional Managing Director. In March 1999, he was appointed Executive Vice President of U.S. Sales and Marketing, and in January 2000 was promoted to President, the Americas. Mr. Cano was promoted to President, Worldwide Operations in August 2000 and was appointed to President, Europe in June 2007. Mr. Cano holds a PDG (similar to an Executive MBA) from IESE Business School in Barcelona and an Engineering Degree from Barcelona University.

Joseph H. Quaglia, President, the Americas, joined the Company in May 2006 as Vice President, East and Government Sales and was promoted to Senior Vice President of U.S. Marketing in November 2007. In February 2012, he was appointed to the additional role of President, TDMobility and he was promoted to President, the Americas in November 2013. Prior to joining the Company, Mr. Quaglia held senior management positions with CA Technologies, StorageNetworks Inc. and network software provider Atabok. Mr. Quaglia holds a Bachelor of Science in Computer Science from Indiana State University and an M.B.A. from Butler University.

Alain Amsellem, Senior Vice President and Chief Financial Officer, Europe , joined the Company in 1994 through Tech Data's acquisition of French distributor, Softmart International S.A. and served as France Finance Director until September 1999 when he was promoted to France Managing Director. In August 2004, Mr. Amsellem was promoted to Senior Vice President of Southern Europe, and was appointed Senior Vice President - Europe Finance & Operations in 2007. In February 2014, he was appointed Senior Vice President and Chief Financial Officer, Europe. Mr. Amsellem is a Chartered Accountant and holds a degree in management and chartered accountancy from Paris Dauphine University.

Beth E. Simonetti, Senior Vice President and Chief Human Resources Officer , joined the company in September 2015 as Senior Vice President and Chief Human Resources Officer. Prior to joining Tech Data, Ms. Simonetti served as Senior Vice President, Human Resources at Baker & Taylor, Inc. since 2010. Previously, she was an executive search consultant and was with Cardinal Health for 12 years in various HR leadership positions. Ms. Simonetti holds a Bachelor of Science degree from Miami University in Ohio and a Masters of Hospital and Health Services Administration from Ohio State University.

Jeffrey L. Taylor, Senior Vice President and Corporate Controller , joined the Company in May 2007 and held the position of Vice President, Corporate Accounting through April 2011. Mr. Taylor rejoined the Company in October 2012 serving in the same capacity until July 2013 when he was appointed Vice President and Assistant Corporate Controller. In June 2015 he was promoted to Senior Vice President and Corporate Controller. Prior to rejoining the Company in October 2012, Mr. Taylor served in executive financial management with a value-added reseller and previously was employed by Deloitte & Touche ("Deloitte") from 1992 to 2003, most recently as Audit Partner in Russia and including three years in Deloitte's U.S. national office in the Quality Assurance and SEC Services groups. Mr. Taylor holds a Bachelor of Science in Accounting from San Diego State University.

Joseph B. Trepani, Senior Vice President and Chief Financial Officer, the Americas , joined the Company in March 1990 as Controller and held the position of Director of Operations from October 1991 through January 1995. In February 1995, he was promoted to Vice President and Worldwide Controller and to Senior Vice President and Corporate Controller in March 1998. In June 2015, he was appointed Senior Vice President and Chief Financial Officer, the Americas. Prior to joining the Company, Mr. Trepani was Vice President of Finance for Action Staffing, Inc. from 1989 to 1990. From 1982 to 1989, he was employed by Price Waterhouse. Mr. Trepani is a Certified Public Accountant and holds a Bachelor of Science in Accounting from Florida State University.

David R. Vetter, Senior Vice President, General Counsel and Secretary , joined the Company in June 1993 as Vice President and General Counsel and was promoted to Corporate Vice President and General Counsel in April 2000. In March 2003, he was promoted to his current position of Senior Vice President, and effective July 2003, was appointed Secretary. Prior to joining the Company, Mr. Vetter was employed by the law firm of Robbins, Gaynor & Bronstein, P.A. from 1984 to 1993, most recently as a partner. Mr. Vetter is a member of the Florida Bar Association and holds Bachelor of Arts degrees in English and Economics from Bucknell University and a Juris Doctorate Degree from the University of Florida.

ITEM 1A. Risk Factors.

The following are certain risk factors that could affect our business, financial position and results of operations. These risk factors should be considered in connection with evaluating the forward-looking statements contained in this Annual Report on Form 10-K because these factors could cause the actual results and conditions to differ materially from those projected in the forward-looking statements. Before you buy our common stock or other securities, you should know that making such an investment involves risks, including the risks described below. The risks that have been highlighted below are not the only risks of our business. If any of the risks actually occur, our business, financial condition or results of operations could be negatively affected. In that case, the trading price of our common stock or other securities could decline, and you may lose all or part of your investment. Risk factors that could cause actual results to differ materially from our forward-looking statements are as follows:

Our ability to earn profit is more challenging when sales slow from a down economy as a result of gross profit declining faster than cost reduction efforts taking effect.

High levels of unemployment in the markets we serve, as well as austerity measures that may be implemented by governments in those markets, can constrain economic growth resulting in lower demand for the products and services we sell. When we experience a rapid decline in demand for products we experience more difficulty in achieving the gross profit and operating profit we desire due to the lower sales and increased pricing pressure. The economic environment may also result in changes in vendor terms and conditions, such as rebates, cash discounts and cooperative marketing efforts, which may also result in downward pressure on our gross profit. As a result, there is pressure to reduce the cost of operations in order to maximize operating profits. To the extent we cannot reduce costs to offset such decline in gross profits, our operating profits typically deteriorate. The benefits from cost reductions may also take longer to fully realize and may not fully mitigate the impact of the reduced demand. Should we experience a decline in operating profits, especially in Europe, the valuations we develop for purposes of our goodwill impairment test may be adversely affected, potentially resulting in impairment charges. Deterioration in the financial and credit markets heightens the risk of customer bankruptcies and delays in payment. Future deterioration in the credit markets could result in reduced availability of credit insurance to cover customer accounts. This, in turn, may result in our reducing the credit lines we provide to customers, thereby having a negative impact on our net sales.

Our competitors can take more market share by reducing prices on key vendor products that contribute the most to our profitability.

The Company operates in a highly competitive environment. The technology distribution industry is characterized by intense competition, based primarily on product availability, credit terms and availability, price, effectiveness of information systems and e-commerce tools, speed of delivery, ability to tailor specific solutions to customer needs, quality and depth of product lines and training, service and support. Our customers are not required to purchase any specific volume of products from us and may move business if pricing is reduced by competitors, resulting in lower sales. As a result, we must be extremely flexible in determining when to reduce price to maintain market share and sales volumes and when to allow our sales volumes to decline to maintain the quality of our profitability. The Company competes with a variety of regional, national and international wholesale distributors, some of which may have greater financial resources than the Company.

We are dependent on internal information and telecommunications systems, and any failure of these systems, including system security breaches, data protection breaches, or other cybersecurity attacks, may negatively impact our business and results of operations.

The Company is highly dependent upon its internal information and telecommunications systems to operate its business. Failures of our internal information or telecommunications systems may prevent us from taking customer orders, shipping products and billing customers. Sales may also be impacted if our customers are unable to access our pricing and product availability information. Additionally, if the Company were to experience a security breakdown, disruption or breach that compromised sensitive information, it could harm our relationships with vendors and customers. The occurrence of any of these events could have a negative impact on our business and results of operations.

We may not be able to ship products if our third party shipping companies cease operations temporarily or permanently.

The Company relies on arrangements with independent shipping companies for the delivery of its products from vendors and to customers. The failure or inability of these shipping companies to deliver products, or the unavailability of their shipping services, even temporarily, may have an adverse effect on the Company's business.

If our vendors do not continue to provide price protection for inventory we purchase from them our profit from the sale of that inventory may decline.

It is very typical in our industry that the value of inventory will decline as a result of price reductions by vendors or technological obsolescence. It is the policy of many of our vendors to protect distributors from the loss in value of inventory due to technological change or the vendors' price reductions. Some vendors, however, may be unwilling or unable to pay the Company for price protection claims or products returned to them under purchase agreements. Moreover, industry practices are sometimes not embodied in written agreements and do not protect the Company in all cases from declines in inventory value. No assurance can be given that such

practices to protect distributors will continue, that unforeseen new product developments will not adversely affect the Company, or that the Company will be able to successfully manage its existing and future inventories.

Failure to obtain adequate product supplies from our largest vendors, or terminations of a supply or services agreement, or a significant change in vendor terms or conditions of sale by our largest vendors may negatively affect our net sales and operating profit.

The Company receives a significant percentage of revenues from products it purchases from certain vendors, such as Apple, Inc., HP Inc. and Hewlett Packard Enterprise. These vendors have significant negotiating power over us and rapid, significant and adverse changes in sales terms and conditions, such as reducing the amount of price protection and return rights as well as reducing the level of purchase discounts and rebates they make available to us, may reduce the profit we can earn on these vendors' products and result in loss of revenue and profitability. The Company's gross profit could be negatively impacted if the Company is unable to pass through the impact of these changes to the Company's customers or cannot develop systems to manage ongoing vendor programs. In addition, the Company's standard vendor distribution agreement permits termination without cause by either party upon 30 days notice. The loss of a relationship with any of the Company's key vendors, a change in their strategy (such as increasing direct sales), the merger or reorganization of significant vendors, or significant changes in terms on their products may adversely affect the Company's business.

Changes in our credit rating or other market factors may increase our interest expense or other costs of capital or capital may not be available to us on acceptable terms to fund our working capital needs. The inability to obtain such sources of capital could have an adverse effect on the Company's business.

The Company's business requires substantial capital to operate and to finance accounts receivable and product inventory that are not financed by trade creditors. The Company has historically relied upon cash generated from operations, bank credit lines, trade credit from vendors, proceeds from public offerings of its common stock and proceeds from debt offerings to satisfy its capital needs and to finance growth. The Company utilizes various financing instruments such as receivables securitization, leases, revolving credit facilities and trade receivable purchase agreements. As the financial markets change and new regulations come into effect, the cost of acquiring financing and the methods of financing may change. Changes in our credit rating or other market factors may increase our interest expense or other costs of capital or capital may not be available to us on acceptable terms to fund our working capital needs. The inability to obtain such sources of capital could have an adverse effect on the Company's business. The Company's credit facilities contain various financial and other covenants that may limit the Company's ability to borrow, or limit the Company's flexibility in responding to business conditions. These financing instruments involve variable rate debt, thus exposing the Company to risk of fluctuations in interest rates. Increases in interest rates would result in an increase in the interest expense on the Company's variable debt, which would reduce the Company's profitability.

We conduct business in countries outside of the United States, which exposes us to fluctuations in foreign currency exchange rates that result in losses in certain periods.

Approximately 65%, 68% and 67% of our net sales in fiscal 2016, 2015 and 2014 were generated in countries outside of the United States, which exposes the Company to fluctuations in foreign currency exchange rates. The Company may enter into short-term forward exchange or option contracts to hedge this risk. Nevertheless, volatile foreign currency exchange rates increase our risk of loss related to products purchased in a currency other than the currency in which those products are sold. While we maintain policies to protect against fluctuations in currency exchange rates, extreme fluctuations have resulted in our incurring losses in some countries. The realization of any or all of these risks could have a significant adverse effect on our financial results. The translation of the financial statements of foreign operations into U.S. dollars is also impacted by fluctuations in foreign currency exchange rates, which may positively or negatively impact our results of operations. In addition, the value of the Company's equity investment in foreign countries may fluctuate based upon changes in foreign currency exchange rates. These fluctuations, which are recorded in a cumulative translation adjustment account, may result in losses in the event a foreign subsidiary is sold or closed at a time when the foreign currency is weaker than when the Company made investments in the country. In addition, our local competitors in certain markets may have different purchasing models that provide them reduced foreign currency exposure compared to the Company. This may result in market pricing that the Company cannot meet without significantly lower profit on sales.

We have international operations which expose us to risks associated with conducting business in multiple jurisdictions.

The Company's international operations are subject to other risks such as the imposition of governmental controls, export license requirements, restrictions on the export of certain technology, political instability, trade restrictions, tariff changes, difficulties in staffing and managing international operations, changes in the interpretation and enforcement of laws (in particular related to items such as duty and taxation), difficulties in collecting accounts receivable, longer collection periods and the impact of local economic conditions and practices. There can be no assurance that these and other factors will not have an adverse effect on the Company's business.

In addition, while the Company's labor force in the Americas is currently non-union, employees of certain European subsidiaries are subject to collective bargaining or similar arrangements. The Company does business in certain foreign countries where labor disruption is more common than is experienced in the United States and some of the freight carriers used by the Company are unionized. A labor strike by a group of the Company's employees, one of the Company's freight carriers, one of its vendors, a general strike by civil service employees, or a governmental shutdown could have an adverse effect on the Company's business. Many of the products the Company sells are manufactured in countries other than the countries in which the Company's logistics centers are

located. The inability to receive products into the logistics centers because of government action or labor disputes at critical ports of entry may have an adverse effect on the Company's business.

We cannot predict what losses we might incur in litigation matters, regulatory enforcement actions and contingencies that we may be involved with from time to time, including in connection with the restatement of prior financial statements.

The SEC has requested information from the Company with respect to the restatement of certain of our consolidated financial statements and other financial information from fiscal 2009 to fiscal 2013, and the Company is cooperating with the SEC request. See Item 3, "Legal Proceedings." This pending SEC request for information and other potential proceedings could result in fines and other penalties. The Company has not reserved any amount in respect of these matters in its consolidated financial statements.

The Company cannot predict whether monetary losses, if any, it experiences in any proceedings related to the restatement will be covered by insurance or whether insurance proceeds recovered will be sufficient to offset such losses. Potential civil or regulatory proceedings may also divert the efforts and attention of the Company's management from business operations.

The Company cannot predict what losses we might incur from other litigation matters, regulatory enforcement actions and contingencies that we may be involved with from time to time. There are various other claims, lawsuits and pending actions against us. We do not expect that the ultimate resolution of these other matters will have a material adverse effect on our consolidated financial position. However, the resolution of certain of these matters could be material to our operating results for any particular period, depending on the level of income for such period. We can make no assurances that we will ultimately be successful in our defense of any of these other matters.

ITEM 1B. *Unresolved Staff Comments.*

Not applicable.

ITEM 2. *Properties.*

Our executive offices are located in Clearwater, Florida. As of January 31, 2016, we operated a total of 22 logistics centers to provide our customers timely delivery of products. There are eleven logistics centers in each of the two regions in which we operate, the Americas and Europe.

As of January 31, 2016, we leased or owned approximately 7.1 million square feet of space. The majority of our office facilities and logistics centers are leased. Our facilities are well maintained and are adequate to conduct our current business. We do not anticipate significant difficulty in renewing our leases as they expire or securing replacement facilities.

ITEM 3. *Legal Proceedings.*

Prior to fiscal 2004, one of the Company's subsidiaries, located in Spain, was audited in relation to various value added tax ("VAT") matters. As a result of those audits, the Spanish subsidiary received notices of assessment from the Regional Inspection Unit of Spain's taxing authority that allege the subsidiary did not properly collect and remit VAT. The Spanish subsidiary appealed these assessments to the Madrid Central Economic Administrative Courts beginning in March 2010. Following the administrative court proceedings the matter was appealed to the Spanish National Appellate Court. During 2013, the Spanish National Appellate Court issued an opinion upholding the assessment for several of the assessed years. During fiscal 2015, the Madrid Central Economic Administrative Court issued a decision revoking the penalties for certain of the assessed years. As a result of that decision, during the fiscal year ended January 31, 2015 the Company decreased its accrual for costs associated with this matter by \$6.2 million, which is recorded in "value added tax assessments" in the Consolidated Statement of Income. During fiscal 2016, the Spanish Supreme Court issued final decisions which barred the assessments for several of the assessed years. As a result of these decisions, during the fiscal year ended January 31, 2016 the Company decreased its accrual for costs associated with this matter by \$25.4 million, including \$16.4 million related to an accrual for assessments and penalties recorded in "value added tax assessments" and \$9.0 million related to accrued interest recorded in "interest expense" in the Consolidated Statement of Income. Additionally, as a result of these decisions, the Company paid certain assessed amounts of \$12.3 million during fiscal 2016. The Company believes that the Spanish subsidiary's defense to the remaining assessments has solid legal grounds and is continuing to vigorously defend its position by appealing to the Spanish National Appellate Court and taking other actions to object to the assessments. The Company estimates the total exposure for these assessments, including various penalties and interest, was approximately \$4.6 million and \$43.7 million at January 31, 2016 and 2015, respectively, which is included in "accrued expenses and other liabilities" in the Consolidated Balance Sheet.

In December 2010, in a non-unanimous decision, a Brazilian appellate court overturned a 2003 trial court which had previously ruled in favor of the Company's Brazilian subsidiary related to the imposition of certain taxes on payments abroad related to the licensing of commercial software products, commonly referred to as "CIDE tax". The Company estimates the total exposure related to CIDE tax, including interest, was approximately \$17.3 million and \$24.6 million at January 31, 2016 and 2015, respectively. The Brazilian subsidiary has appealed the unfavorable ruling to the Supreme Court and Superior Court, Brazil's two highest appellate courts. Based on the legal opinion of outside counsel, the Company believes that the chances of success on appeal of this matter are favorable and the Brazilian subsidiary intends to vigorously defend its position that the CIDE tax is not due. However, due to the lack of predictability of the Brazilian court system, the Company has concluded that it is reasonably possible that the Brazilian subsidiary may incur a loss up to the total exposure described above. The Company believes the resolution of this litigation will not be material to the Company's consolidated net assets or liquidity.

In addition to the CIDE tax matter discussed above, the Company's Brazilian subsidiary has been undergoing several examinations of non-income related taxes. Given the lack of predictability of the Brazilian tax system, the Company believes that it is reasonably possible that a loss may have been incurred. However, due to the complex nature of the Brazilian tax system and the absence of communication from the local tax authorities regarding these examinations, the Company is currently unable to determine the likelihood of these examinations resulting in assessments or to estimate the amount of loss, if any, that may be reasonably possible if such assessment were to be made.

The SEC has requested information from the Company with respect to the restatement of certain of our consolidated financial statements and other financial information from fiscal 2009 to 2013. The Company is cooperating with the SEC's request for information.

The Company is subject to various other legal proceedings and claims arising in the ordinary course of business. The Company's management does not expect that the outcome in any of these other legal proceedings, individually or collectively, will have a material adverse effect on the Company's financial condition, results of operations, or cash flows.

ITEM 4. *Mine Safety Disclosures.*

Not applicable.

PART II

ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our common stock is traded on the NASDAQ Stock Market, Inc. ("NASDAQ") under the symbol "TECD." We have not paid cash dividends since fiscal 1983 and the Board of Directors has no current plans to institute a cash dividend payment policy in the foreseeable future. The table below presents the quarterly high and low market prices for our common stock as reported by the NASDAQ. As of March 9, 2016, there were 223 holders of record and we believe that there were 16,566 beneficial holders.

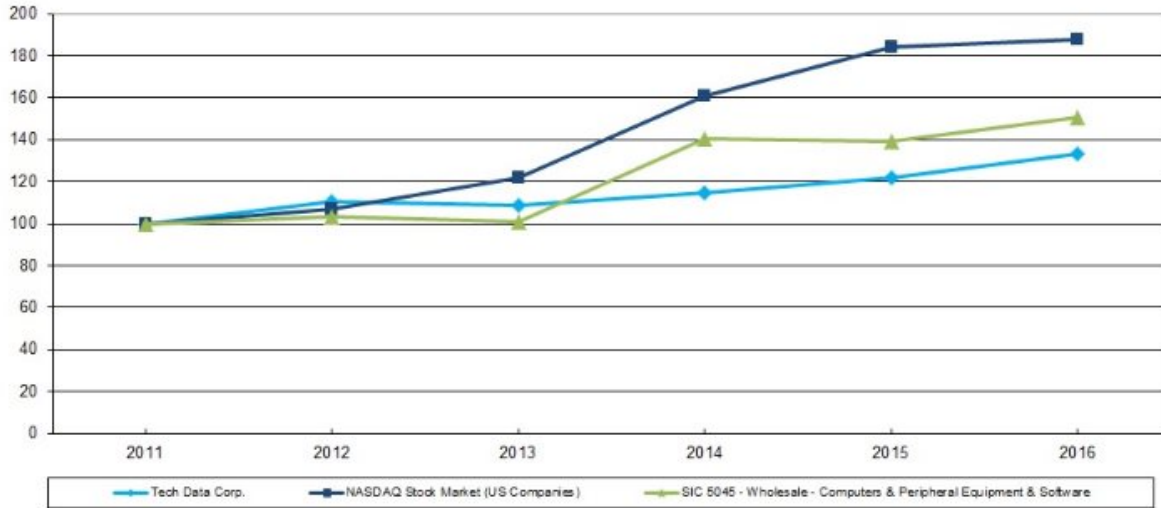
MARKET PRICE



STOCK PERFORMANCE CHART

The five-year stock performance chart below assumes an initial investment of \$100 on February 1, 2011 and compares the cumulative total return for Tech Data, the NASDAQ Stock Market (U.S.) Index, and the Standard Industrial Classification, or SIC, Code 5045 – Computer and Peripheral Equipment and Software. The comparisons in the table are provided in accordance with SEC requirements and are not intended to forecast or be indicative of possible future performance of our common stock.

**Comparison of Cumulative Total Return
Assumes Initial Investment of \$100 on February 1, 2011
Among Tech Data Corporation,
NASDAQ Stock Market (U.S.) Index and SIC Code 5045**



	2011	2012	2013	2014	2015	2016
Tech Data Corporation	100	111	109	115	122	133
NASDAQ Stock Market (U.S.) Index	100	107	122	161	184	188
SIC Code 5045 – Computer and Peripheral Equipment and Software	100	103	101	140	139	151

Securities Authorized for Issuance under Equity Compensation Plans

Information regarding the Securities Authorized for Issuance under Equity Compensation Plans can be found under Item 12 of this Report.

Unregistered Sales of Equity Securities

None.

Issuer Purchases of Equity Securities

There were no shares repurchased by the Company during the quarter ended January 31, 2016. During the first quarter of fiscal 2016, the Company completed the \$100.0 million share repurchase program approved by the Board of Directors in December 2014. In June 2015, the Company's Board of Directors authorized an additional share repurchase program of up to \$100.0 million of the Company's common stock. The Company completed this share repurchase program in October 2015. During fiscal 2016, the Company repurchased 2,497,029 shares at an average price of \$58.87 per share, for a total cost, including expenses, of approximately \$147.0 million under these programs. Cumulatively since fiscal 2006, the Company has repurchased approximately 30 million shares at an average price of \$43.25 per share, for a total cost, including expenses, of approximately \$1.3 billion.

SHARE REPURCHASES



ITEM 6. Selected Financial Data.

The following table sets forth certain selected consolidated financial data. This information should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and notes thereto appearing elsewhere in this Annual Report.

FIVE-YEAR FINANCIAL SUMMARY

Year ended January 31:	2016	2015	2014	2013	2012
(in thousands, except per share data)					
Income statement data:					
Net sales	\$ 26,379,783	\$ 27,670,632	\$ 26,821,904	\$ 25,358,329	\$ 25,647,313
Gross profit	1,286,661	1,393,954	1,362,346	1,303,054	1,377,441
Operating income ^{(1) (2) (3) (4) (5)}	401,428	267,635	227,513	263,720	304,546
Consolidated net income ^{(2) (6) (7) (8) (9)}	265,736	175,172	179,932	183,040	201,202
Net income attributable to noncontrolling interest ⁽¹⁰⁾	—	—	—	(6,785)	(10,452)
Net income attributable to shareholders of Tech Data Corporation	\$ 265,736	\$ 175,172	\$ 179,932	\$ 176,255	\$ 190,750
Net income per share attributable to shareholders of Tech Data Corporation—basic	\$ 7.40	\$ 4.59	\$ 4.73	\$ 4.53	\$ 4.36
Net income per share attributable to shareholders of Tech Data Corporation—diluted	\$ 7.36	\$ 4.57	\$ 4.71	\$ 4.50	\$ 4.30
Dividends per common share	—	—	—	—	—

Balance sheet data:

Working capital ⁽¹¹⁾	\$ 1,889,415	\$ 1,834,997	\$ 1,851,447	\$ 1,700,485	\$ 1,720,564
Total assets	6,358,288	6,136,725	7,167,576	6,828,291	5,796,268
Revolving credit loans and current maturities of long-term debt, net	18,063	13,303	43,481	167,522	48,490
Long-term debt, less current maturities	348,608	351,576	352,031	351,789	57,253
Equity attributable to shareholders of Tech Data Corporation	2,005,755	1,960,143	2,098,611	1,918,369	1,953,804

- (1) During fiscal 2016, 2015 and 2014, the Company recorded a gain of \$98.4 million, \$5.1 million and \$35.5 million, respectively, associated with legal settlements, net of attorney fees and expenses, with certain manufacturers of LCD flat panel and cathode ray tube displays (see further discussion in Note 1 of Notes to Consolidated Financial Statements).
- (2) During fiscal 2016, the Company recorded a net benefit of \$17.8 million for VAT matters related to its European subsidiaries, including a net benefit in operating expenses of \$8.8 million in relation to assessments and penalties and a \$9.0 million benefit for the reversal of associated interest expense. During fiscal 2015, the Company recorded a decrease in its accrual for VAT matters related to its Spanish subsidiary of \$6.2 million (see further discussion in Note 13 of Notes to Consolidated Financial Statements).
- (3) During fiscal 2015 and 2014, the Company recorded restatement and remediation related expenses of \$22.0 million and \$53.8 million, respectively (see further discussion in Note 1 of Notes to Consolidated Financial Statements).
- (4) During fiscal 2013, the Company increased its accrual for various VAT matters related to its Spanish subsidiary by \$41.0 million, including operating expenses of \$29.5 million in relation to the assessment and penalties and \$11.5 million for associated interest expense.
- (5) During fiscal 2012, the Company recorded a \$28.3 million loss on disposal of subsidiaries related to the closure of certain of the Company's operations in Latin America.
- (6) During fiscal 2015, the Company recorded income tax benefits of \$19.2 million primarily related to the reversal of deferred tax valuation allowances in certain jurisdictions in Europe, partially offset by income tax expenses of \$5.6 million related to undistributed earnings on assets held for sale in certain Latin American jurisdictions (see further discussion in Note 8 of Notes to Consolidated Financial Statements).
- (7) During fiscal 2014, the Company recorded income tax benefits of \$45.3 million for the reversal of deferred tax valuation allowances primarily related to certain jurisdictions in Europe (see further discussion in Note 8 of Notes to Consolidated Financial Statements).
- (8) During fiscal 2013, the Company recorded a \$25.1 million reversal of deferred tax valuation allowances related to a specific jurisdiction in Europe.
- (9) During fiscal 2012, the Company recorded a \$13.6 million reversal of deferred tax valuation allowances which was substantially offset by the write-off of deferred income tax assets associated with the closure of Brazil's commercial operations.
- (10) During fiscal 2013, the Company completed the acquisition of Brightstar Corp.'s fifty percent ownership interest in a consolidated mobility distribution joint venture between Tech Data and Brightstar Corp.
- (11) Working capital represents total current assets less total current liabilities in the Consolidated Balance Sheet.

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, including this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), contains forward-looking statements, as described in the "safe harbor" provision of the Private Securities Litigation Reform Act of 1995. These statements involve a number of risks and uncertainties and actual results could differ materially from those projected. These forward-looking statements regarding future events and the future results of Tech Data Corporation ("Tech Data", "we", "our", "us" or the "Company") are based on current expectations, estimates, forecasts, and projections about the industries in which we operate and the beliefs and assumptions of our management. Words such as "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," "estimates," variations of such words, and similar expressions are intended to identify such forward-looking statements. In addition, any statements that refer to projections of our future financial performance, our anticipated growth and trends in our businesses, and other characterizations of future events or circumstances, are forward-looking statements. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. Readers are referred to the cautionary statements and important factors discussed in Item 1A, "Risk Factors" in this Annual Report on Form 10-K for the year ended January 31, 2016 for further information. We undertake no obligation to revise or update publicly any forward-looking statements for any reason.

OVERVIEW

Tech Data is one of the world's largest wholesale distributors of technology products. We serve as an indispensable link in the technology supply chain by bringing products from the world's leading technology vendors to market, as well as providing our customers with advanced logistics capabilities and value-added services. Our customers include value-added resellers, direct marketers, retailers and corporate resellers who support the diverse technology needs of end users. We manage our business in two geographic segments: the Americas and Europe.

We believe our strategy of execution, diversification and innovation differentiates us in the markets we serve and we believe we have opportunities for further gains in market share as our vendors bring more of their products through distribution and our customer satisfaction ratings continue to improve. We continually evaluate the current and potential profitability and return on our investments in all geographies and consider changes in current and future investments based on risks, opportunities and current and anticipated market conditions. In connection with these evaluations, we may incur additional costs to the extent we decide to increase or decrease our investments in certain geographies. For example, in March 2015, we entered into an agreement for the sale of our business operations in Chile and Peru and also committed to a plan to exit our business operations in Uruguay as we did not believe these operations would generate consistently acceptable returns on invested capital. We will also continue to evaluate targeted strategic investments across our operations and new business opportunities and invest in those markets and product segments we believe provide us with the greatest opportunities for profitable growth. One example of these investments is our acquisition in June 2015 of Signature Technology Group, Inc., a leading provider of data center and professional services throughout North America. Finally, from a balance sheet perspective, we require working capital primarily to finance accounts receivable and inventory. We have historically relied upon debt, trade credit from our vendors, and accounts receivable financing programs for our working capital needs. At January 31, 2016 we had a debt to total capital ratio (calculated as total debt divided by the aggregate of total debt and total equity) of 15% .

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The information included within MD&A is based upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures. On an ongoing basis, we evaluate these estimates, including those related to accounts receivable, inventory, vendor incentives, goodwill and intangible assets, deferred taxes, and contingencies. Our estimates and judgments are based on currently available information, historical results, and other assumptions we believe are reasonable. Actual results could differ materially from these estimates. We believe the critical accounting policies discussed below affect the more significant judgments and estimates used in the preparation of our consolidated financial statements.

Accounts Receivable

We maintain allowances for doubtful accounts receivable and sales returns for estimated losses resulting from the inability of our customers to make required payments and estimated product returns by customers for exchange or credit. In estimating the required allowance, we take into consideration the overall quality and aging of the receivable portfolio, the existence of credit insurance and specifically identified customer risks. Also influencing our estimates are the following: (i) the large number of customers and their dispersion across wide geographic areas; (ii) the fact that no single customer accounts for more than 10% of our net sales; (iii) the value and adequacy of collateral received from customers, if any; (iv) our historical write-off and sales returns experience; and (v) the current economic environment. If actual customer performance were to deteriorate to an extent not expected by us, additional allowances may be required which could have an adverse effect on our consolidated financial results. Conversely, if actual customer performance were to improve to an extent not expected by us, a reduction in allowances may be required which could have a favorable effect on our consolidated financial results.

Inventory

We value our inventory at the lower of its cost or market value, cost being determined on a moving average cost basis, which approximates the first-in, first-out method. We write down our inventory for estimated obsolescence equal to the difference between the cost of inventory and the estimated market value based upon an aging analysis of the inventory on hand, specifically known inventory-related risks (such as technological obsolescence and the nature of vendor terms surrounding price protection and product returns), foreign currency fluctuations for foreign-sourced products, and assumptions about future demand. Market conditions or changes in terms and conditions by our vendors that are less favorable than those projected by management may require additional inventory write-downs, which could have an adverse effect on our consolidated financial results.

Vendor Incentives

We receive incentives from vendors related to cooperative advertising allowances, infrastructure funding, volume rebates and other incentive agreements. These incentives are generally under quarterly, semi-annual or annual agreements with the vendors; however, some of these incentives are negotiated on an ad-hoc basis to support specific programs mutually developed with the vendor. Unrestricted volume rebates and early payment discounts received from vendors are recorded when they are earned as a reduction of inventory and as a reduction of cost of products sold as the related inventory is sold. Vendor incentives for specifically identified cooperative advertising programs and infrastructure funding are recorded when earned as adjustments to product costs or selling, general and administrative expenses, depending on the nature of the programs.

We also provide reserves for receivables on vendor programs for estimated losses resulting from vendors' inability to pay or rejections by vendors of claims. Should amounts recorded as outstanding receivables from vendors be deemed uncollectible, additional allowances may be required which could have an adverse effect on our consolidated financial results. Conversely, if actual vendor performance were to improve to an extent not expected by us, a reduction in allowances may be required which could have a favorable effect on our consolidated financial results.

Goodwill, Intangible Assets and Other Long-Lived Assets

We perform an annual review for the potential impairment of the carrying value of goodwill, or more frequently if current events and circumstances indicate a possible impairment. For purposes of our goodwill analysis, we have two reporting units, which are also our operating segments. We evaluate the appropriateness of performing a qualitative assessment, on a reporting unit level, based on current circumstances. If the results of the qualitative assessment indicate that it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, the two-step impairment test will not be performed. The factors that were considered in the qualitative analysis included macroeconomic conditions, industry and market considerations, cost factors such as increases in product cost, labor, or other costs that would have a negative effect on earnings and cash flows; and other relevant entity-specific events and information.

If we conclude that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then the two-step impairment test is performed. The first step of the impairment test compares the fair value of our reporting units with their carrying amounts, including goodwill. The fair values of the reporting units are estimated using market and discounted cash flow approaches. The assumptions used in the market approach are based on the value of a business through an analysis of multiples of guideline companies and recent sales or offerings of a comparable entity. The assumptions used in the discounted cash flow approach are based on historical and forecasted revenue, operating costs, future economic conditions, and other relevant factors. If the carrying amount exceeds fair value, then the second step of the impairment test is performed to measure the amount of any impairment loss. The amount of an impairment loss is recognized as the excess of the carrying value of goodwill over its implied fair value and is charged to expense in the period identified. We perform our annual review for goodwill impairment as of January 31st of each fiscal year. If actual results are substantially lower than the projections used in our valuation methodology, or if market discount rates or our market capitalization substantially increase or decrease, respectively, our future valuations could be adversely affected, potentially resulting in future impairment charges.

We also examine the carrying value of our intangible assets with finite lives, which includes capitalized software and development costs, purchased intangibles, and other long-lived assets as current events and circumstances warrant determining whether there are any impairment losses. Factors that may cause an intangible asset or other long-lived asset impairment include negative industry or economic trends and significant under-performance relative to historical or projected future operating results.

Income Taxes

We record valuation allowances to reduce our deferred tax assets to the amount expected to be realized. We consider all positive and negative evidence available in determining the potential of realizing deferred tax assets, including the scheduled reversal of temporary differences, recent cumulative losses, recent and projected future taxable income, and prudent and feasible tax planning strategies. In making this determination, we place greater emphasis on recent cumulative losses and recent taxable income due to the inherent lack of subjectivity associated with these factors. If we determine it is more likely than not that we will be able to use a deferred tax asset in the future in excess of its net carrying value, an adjustment to the deferred tax asset valuation allowance would be made to reduce income tax expense, thereby increasing net income in the period such determination is made. Should we determine that we are not likely to realize all or part of our net deferred tax assets in the future, an adjustment to the deferred tax asset valuation allowance would be made to increase income tax expense, thereby reducing net income in the period such determination is made.

Contingencies

We accrue for contingent obligations, including estimated legal costs, when the obligation is probable and the amount is reasonably estimable. As facts concerning contingencies become known, we reassess our position and make appropriate adjustments to the financial statements. Estimates that are particularly sensitive to future changes include those related to tax, legal, and other regulatory matters such as imports and exports, the imposition of international governmental controls, changes in the interpretation and enforcement of international laws (in particular related to items such as duty and taxation), and the impact of local economic conditions and practices, which are all subject to change as events evolve and as additional information becomes available during the administrative and litigation process.

RECENT ACCOUNTING PRONOUNCEMENTS

See Note 1 of Notes to Consolidated Financial Statements for the discussion on recent accounting pronouncements.

RESULTS OF OPERATIONS

The following table sets forth our Consolidated Statement of Income as a percentage of net sales.

Year ended January 31:	2016	2015	2014
Net sales	100.00 %	100.00 %	100.00 %
Cost of products sold	95.12	94.96	94.92
Gross profit	4.88	5.04	5.08
Operating expenses:			
Selling, general and administrative expenses	3.76	4.03	4.16
LCD settlements, net	(0.37)	(0.02)	(0.13)
Value added tax assessments	(0.03)	(0.02)	0.00
Restatement and remediation related expenses	0.00	0.08	0.20
Loss on disposal of subsidiaries	0.00	0.00	0.00
	3.36	4.07	4.23
Operating income	1.52	0.97	0.85
Interest expense	0.05	0.10	0.10
Other expense (income), net	0.02	0.01	(0.01)
Income before income taxes	1.45	0.86	0.76
Provision for income taxes	0.44	0.23	0.09
Net income	1.01 %	0.63 %	0.67 %

In addition to disclosing financial results that are determined in accordance with generally accepted accounting principles in the United States ("GAAP"), the Company also discloses certain non-GAAP financial information, including:

- Net sales, gross profit, and selling, general and administrative expenses ("SG&A") as adjusted for the impact of changes in foreign currencies (referred to as "impact of changes in foreign currencies" or "constant currency") and the impact of the exit of business operations in Chile, Peru, and Uruguay (referred to as "impact of exited operations") which is reflected in our results of operations by removing the impact from the periods presented;
- Non-GAAP operating income, which is defined as operating income as adjusted to exclude LCD settlements, net, value added tax assessments, restatement and remediation related expenses, loss on disposal of subsidiaries and acquisition-related intangible asset amortization;
- Non-GAAP net income, which is defined as net income as adjusted to exclude the tax effected impact of LCD settlements, net, value added tax assessments and related interest expense, restatement and remediation related expenses, loss on disposal of subsidiaries, acquisition-related intangible asset amortization and the reversal of deferred tax valuation allowances and income taxes on undistributed earnings of assets held for sale; and
- Non-GAAP net income per share - diluted, which is defined as net income per share - diluted as adjusted for the per share, tax effected impact of the items described above.

Management believes that providing this additional information is useful to investors because it provides a meaningful comparison of our performance between periods.

NET SALES

The following tables summarize our net sales and change in net sales by geographic region for the fiscal years ended January 31, 2016, 2015 and 2014 (in billions):



Year ended January 31:	2016	2015	Percent Change
(in millions)			
Consolidated net sales, as reported	\$ 26,380	\$ 27,671	(4.7)%
Impact of changes in foreign currencies	2,781	—	
Impact of exited operations	(21)	(317)	
Consolidated net sales, as adjusted	\$ 29,140	\$ 27,354	6.5%
Americas net sales, as reported	\$ 10,357	\$ 10,406	(0.5)%
Impact of changes in foreign currencies	173	—	
Impact of exited operations	(21)	(317)	
Americas net sales, as adjusted	\$ 10,509	\$ 10,089	4.2%
Europe net sales, as reported	\$ 16,023	\$ 17,265	(7.2)%
Impact of changes in foreign currencies	2,608	—	
Europe net sales, as adjusted	\$ 18,631	\$ 17,265	7.9%

2016 - 2015 NET SALES COMMENTARY

AMERICAS

The increase in net sales in the Americas, as adjusted, of \$420 million is primarily due to growth in data center and consumer electronics product categories.

EUROPE

The increase in net sales in Europe, as adjusted, of approximately \$1.4 billion is primarily due to growth in broadband, mobility and data center product categories. The majority of our trade regions posted year-over-year sales growth, most notably Germany, Iberia and Italy.

Year ended January 31:	2015	2014	Percent Change
(in millions)			
Consolidated net sales, as reported	\$ 27,671	\$ 26,822	3.2%
Impact of changes in foreign currencies	342	—	
Consolidated net sales, as adjusted	\$ 28,013	\$ 26,822	4.4%
Americas net sales, as reported	\$ 10,406	\$ 10,189	2.1%
Impact of changes in foreign currencies	85	—	
Americas net sales, as adjusted	\$ 10,491	\$ 10,189	3.0%
Europe net sales, as reported	\$ 17,265	\$ 16,633	3.8%
Impact of changes in foreign currencies	257	—	
Europe net sales, as adjusted	\$ 17,522	\$ 16,633	5.3%

2015 - 2014 NET SALES COMMENTARY

AMERICAS

The increase in net sales in the Americas, as adjusted, of \$302 million is primarily attributable to stronger demand for broadline products, particularly personal computer systems.

EUROPE

The increase in net sales in Europe, as adjusted, of \$889 million is primarily attributable to stronger demand for broadline products, particularly personal computer systems, and mobility products.

GROSS PROFIT

The following tables provide an analysis of our gross profit and gross profit as a percentage of net sales for the fiscal years ended January 31, 2016, 2015 and 2014 (in millions):



Year ended January 31:	2016	2015	Percent Change
(in millions)			
Gross profit, as reported	\$ 1,287	\$ 1,394	(7.7)%
Impact of changes in foreign currencies	143	—	
Gross profit, as adjusted	\$ 1,430	\$ 1,394	2.6%

The increase in gross profit, as adjusted, of \$36 million is primarily due to increased sales, as adjusted for the impact of changes in foreign currencies and exited operations, in both regions. The decline in our year-over-year gross profit as a percentage of net sales is primarily attributable to changes in vendor and product mix.

Year ended January 31:	2015	2014	Percent Change
(in millions)			
Gross profit, as reported	\$ 1,394	\$ 1,362	2.3%
Impact of changes in foreign currencies	20	—	
Gross profit, as adjusted	\$ 1,414	\$ 1,362	3.8%

The increase in gross profit, as adjusted, of \$52 million is primarily due to increased sales in both regions, as adjusted for the impact of changes in foreign currencies. The slight decline in our year-over-year gross profit as a percentage of net sales is primarily attributable to changes in product and customer mix.

OPERATING EXPENSES

SELLING GENERAL AND ADMINISTRATIVE EXPENSES

The following tables provide an analysis of our selling, general and administrative expenses:

Year ended January 31:	2016	2015	Percent Change
(in millions)			
SG&A, as reported	\$ 991	\$ 1,114	(11.0)%
Impact of changes in foreign currencies	108	—	
SG&A, as adjusted	\$ 1,099	\$ 1,114	(1.3)%
SG&A as a percentage of net sales, as reported	3.76%	4.03%	(27) bps

The decrease in SG&A as a percentage of net sales compared to the prior year is primarily due to greater operating leverage as we generated sales growth while keeping our costs relatively flat in local currency.

Year ended January 31:	2015	2014	Percent Change
(in millions)			
SG&A, as reported	\$ 1,114	\$ 1,117	(0.2)%
Impact of changes in foreign currencies	11	—	
SG&A, as adjusted	\$ 1,125	\$ 1,117	0.7%
SG&A as a percentage of net sales, as reported	4.03%	4.16%	(13) bps

The decrease in SG&A as a percentage of net sales compared to the prior year is primarily due to greater operating leverage as we generated sales growth while keeping our costs relatively flat in local currency.

LCD SETTLEMENTS, NET

The Company has been a claimant in proceedings seeking damages from certain manufacturers of LCD flat panel and cathode ray tube displays. During fiscal 2016, 2015 and 2014, the Company reached settlement agreements with certain manufacturers in the amount of \$98.4 million, \$5.1 million and \$35.5 million, respectively, net of attorney fees and expenses.

VALUE ADDED TAX ASSESSMENTS

Prior to fiscal 2004, one of the Company's subsidiaries, located in Spain, was audited in relation to various value added tax ("VAT") matters. As a result of those audits, the Spanish subsidiary received notices of assessment that allege the subsidiary did not properly collect and remit VAT. During fiscal 2015, an administrative court issued a decision revoking the penalties for certain of the assessed years. As a result of that decision, during the year ended January 31, 2015 the Company decreased its accrual for costs associated with this matter by \$6.2 million.

During fiscal 2016, the Spanish Supreme Court issued final decisions barring the assessments for several of the assessed years. As a result of these decisions, during the year ended January 31, 2016, the Company decreased its accrual for the assessments and penalties associated with this matter by \$16.4 million (see Note 13 of Notes to Consolidated Financial Statements for further discussion).

In fiscal 2016, the Company determined that it had additional VAT liabilities due in one of its European subsidiaries. As a result, the Company recorded a charge of \$7.6 million during the year ended January 31, 2016 for VAT and associated costs.

RESTATEMENT AND REMEDIATION RELATED EXPENSES

Restatement and remediation related expenses primarily include legal, accounting and third party consulting fees associated with (i) the restatement of certain of the Company's consolidated financial statements and other financial information from fiscal 2009 to fiscal 2013, (ii) the Audit Committee investigation to review the Company's accounting practices, (iii) incremental external audit and supplemental procedures by the Company in connection with the preparation of the Company's financial statements, and (iv) other incremental legal, accounting and consulting fees incurred as a result of the Company's restatement related investigation, regulatory requests for information or in connection with the Company's remediation of material weaknesses and other control deficiencies identified during the restatement. During fiscal 2016, 2015 and 2014, the Company incurred restatement and remediation related expenses of approximately \$0.8 million, \$22.0 million and \$53.8 million, respectively. The Company has remediated all material weaknesses identified during the restatement.

LOSS ON DISPOSAL OF SUBSIDIARIES

During the fourth quarter of fiscal 2015, we committed to a plan to sell our business operations in Chile and Peru. The sale was completed during March 2015 at an amount approximating net book value. In March 2015, we also committed to a plan to exit our business operations in Uruguay. During fiscal 2016 and 2015, the Company incurred a loss of \$0.7 million and \$1.3 million, respectively, for charges related to the plan to exit its business operations in Uruguay and the loss on the sale of its business operations in Chile and Peru. The Company has completed the sale of its operations in Chile and Peru as well as the exit of its operations in Uruguay.

OPERATING INCOME

The following tables provide an analysis of GAAP operating income ("GAAP OI") and non-GAAP operating income ("non-GAAP OI") on a consolidated and regional basis as well as a reconciliation of GAAP operating income to non-GAAP operating income on a consolidated and regional basis for the fiscal years ended January 31, 2016, 2015 and 2014 (in millions):



2016-2015 COMMENTARY

- Excluding the unfavorable impact of changes in foreign currencies of approximately \$38 million, GAAP operating income increased by approximately \$171 million, or 64%, while non-GAAP operating income increased by approximately \$50 million, or 16%.

2015-2014 COMMENTARY

- Excluding the unfavorable impact of changes in foreign currencies of approximately \$10 million, GAAP operating income increased by approximately \$50 million, or 22% while non-GAAP operating income increased by approximately \$43 million, or 16%.

CONSOLIDATED GAAP TO NON-GAAP RECONCILIATION OF OPERATING INCOME

Year ended January 31:	2016	2015	2014
(in millions)			
Operating income	\$ 401.4	\$ 267.6	\$ 227.5
LCD settlements, net	(98.4)	(5.1)	(35.5)
Value added tax assessments	(8.8)	(6.2)	—
Restatement and remediation related expenses	0.8	22.1	53.8
Loss on disposal of subsidiaries	0.7	1.3	—
Acquisition-related intangible assets amortization expense	23.4	28.3	29.1
Non-GAAP operating income	<u>\$ 319.1</u>	<u>\$ 308.0</u>	<u>\$ 274.9</u>

We do not consider stock-based compensation expenses in assessing the performance of our operating segments, and therefore the Company reports stock-based compensation expenses separately. The following table summarizes our operating income by geographic region.

OPERATING INCOME BY REGION

Year ended January 31:	2016	2015	2014
(in millions)			
Americas	\$ 235.6	\$ 145.1	\$ 156.1
Europe	180.7	136.2	80.2
Stock-based compensation expense	(14.9)	(13.7)	(8.8)
Total	<u>\$ 401.4</u>	<u>\$ 267.6</u>	<u>\$ 227.5</u>



2016-2015 COMMENTARY

- Excluding the unfavorable impact of changes in foreign currencies of approximately \$3 million, GAAP operating income in the Americas increased by approximately \$93 million, or 64% and non-GAAP operating income in the Americas decreased approximately \$3 million, or 2%.

2015-2014 COMMENTARY

- Excluding the unfavorable impact of changes in foreign currencies of approximately \$2 million, GAAP operating income in the Americas decreased by approximately \$9 million, or 6% and non-GAAP operating income in the Americas increased approximately \$14 million, or 10%.

AMERICAS GAAP TO NON-GAAP RECONCILIATION OF OPERATING INCOME

Year ended January 31:	2016	2015	2014
(in millions)			
Operating income - Americas	\$ 235.6	\$ 145.1	\$ 156.1
LCD settlements, net	(98.4)	(5.1)	(35.5)
Restatement and remediation related expenses	0.2	4.0	13.2
Loss on disposal of subsidiaries	0.7	1.3	—
Acquisition-related intangible assets amortization expense	1.8	0.7	0.2
Non-GAAP operating income - Americas	<u>\$ 139.9</u>	<u>\$ 146.0</u>	<u>\$ 134.0</u>


2016-2015 COMMENTARY

- Excluding the unfavorable impact of changes in foreign currencies of approximately \$35 million, Europe's GAAP operating income increased by approximately \$79 million, or 58% and Europe's non-GAAP operating income increased approximately \$54 million, or 31%.

2015-2014 COMMENTARY

- Excluding the unfavorable impact of changes in foreign currencies of approximately \$8 million, Europe's GAAP operating income increased by approximately \$64 million, or 80% and Europe's non-GAAP operating income increased approximately \$34 million, or 22%.

EUROPE GAAP TO NON-GAAP RECONCILIATION OF OPERATING INCOME

Year ended January 31:	2016	2015	2014
(in millions)			
Operating income - Europe	\$ 180.7	\$ 136.2	\$ 80.2
Value added tax assessments	(8.8)	(6.2)	—
Restatement and remediation related expenses	0.6	18.1	40.6
Acquisition-related intangible assets amortization expense	21.6	27.5	29.0
Non-GAAP operating income - Europe	<u>\$ 194.1</u>	<u>\$ 175.6</u>	<u>\$ 149.8</u>

INTEREST EXPENSE

Year ended January 31:	2016	2015	2014	Percent change:	
				2016 to 2015	2015 to 2014
(in millions)					
Interest expense	\$ 14.5	\$ 26.5	\$ 26.6	(45.4)%	(0.2)%
Percentage of net sales	0.05%	0.10%	0.10%		

The decrease in interest expense for fiscal 2016 compared to fiscal 2015 is primarily attributable to a \$9.0 million benefit recorded in fiscal 2016 for the reversal of interest expense previously accrued related to the Spanish Supreme Court decision in connection with the

VAT assessments in one of the Company's subsidiaries in Spain discussed above (see Note 13 of Notes to Consolidated Financial Statements for further discussion) and lower average borrowings under our financing facilities.

OTHER EXPENSE (INCOME), NET

Year ended January 31:	Percent change:							
	2016		2015		2014		2016 to 2015	2015 to 2014
(in millions)								
Other expense (income), net	\$	4.5	\$	1.9	\$	(3.4)	137.6%	(155.9)%
Percentage of net sales		0.02%		0.01%		(0.01)%		

Other expense (income), net, consists primarily of gains and losses on investments in life insurance policies to fund the Company's nonqualified deferred compensation plan, interest income, discounts on the sale of accounts receivable and net foreign currency exchange gains and losses on certain financing transactions and the related derivative instruments used to hedge such financing transactions. The change in other expense (income), net, during fiscal 2016 compared to fiscal 2015 is primarily attributable to higher losses on investments in life insurance policies of \$4.6 million partially offset by an increase in net foreign currency exchange gains on certain financing transactions.

The change in other expense (income), net during fiscal 2015 compared to fiscal 2014 is primarily attributable to a gain of \$2.7 million in fiscal 2014 related to the acquisition of the remaining fifty percent ownership interest in TDMobility from Brightstar Corp., our joint venture partner, an increase in net foreign currency exchange losses on certain financing transactions and higher discounts on the sale of accounts receivable.

PROVISION FOR INCOME TAXES



2016-2015 COMMENTARY

The increase in the effective tax rate of approximately 4 percentage points in fiscal 2016 as compared to fiscal 2015 is primarily due to the impact of the following:

- In fiscal 2015, we recorded income tax benefits of \$19.2 million for the reversal of valuation allowances primarily related to specific jurisdictions in Europe, which had been recorded in prior fiscal years. During fiscal 2015, we also recorded income tax expenses of \$5.6 million related to undistributed earnings on assets held for sale in certain Latin American jurisdictions.
- The effective tax rates for both fiscal 2016 and fiscal 2015 are impacted by the relative mix of earnings and losses within the taxing jurisdictions in which we operate.

The increase in the absolute dollar amount of the provision for income taxes in fiscal 2016 as compared to fiscal 2015 is primarily due to an increase in taxable earnings during fiscal 2016, the reversal of certain valuation allowances in fiscal 2015, and the relative mix of earnings and losses within the taxing jurisdictions in which we operate.

2015-2014 COMMENTARY

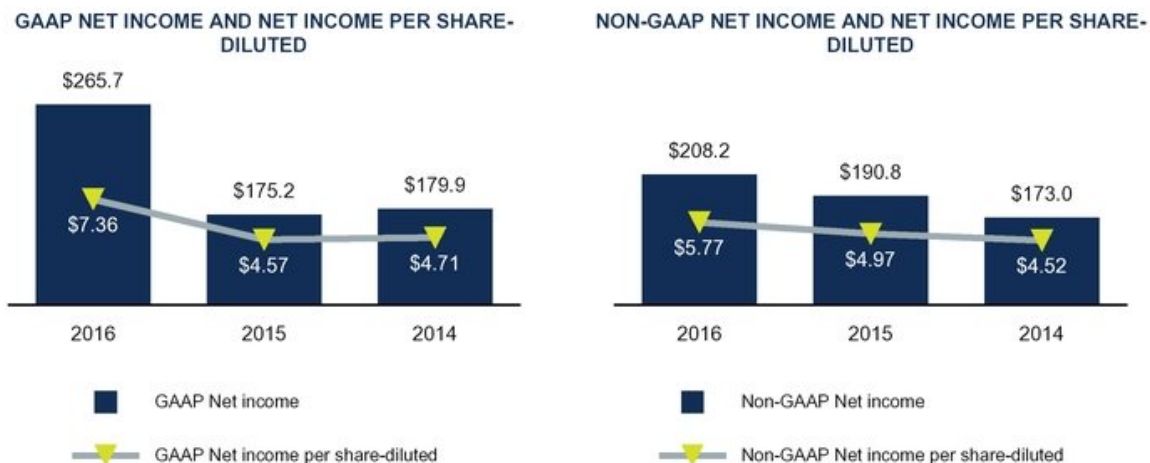
The increase in the effective tax rate of approximately 15 percentage points in fiscal 2015 as compared to fiscal 2014 is primarily due to the impact of the following:

- In fiscal 2014, we recorded income tax benefits of \$45.3 million for the reversal of valuation allowances primarily related to specific jurisdictions in Europe, which had been recorded in prior fiscal years.
- In fiscal 2015, we recorded income tax benefits of \$19.2 million for the reversal of valuation allowances primarily related to specific jurisdictions in Europe, which had been recorded in prior fiscal years. During fiscal 2015, we also recorded income tax expenses of \$5.6 million related to undistributed earnings on assets held for sale in certain Latin American jurisdictions.
- The effective tax rates for both fiscal 2015 and fiscal 2014 are impacted by the relative mix of earnings and losses within the taxing jurisdictions in which we operate.

The increase in the absolute dollar amount of the provision for income taxes in fiscal 2015 as compared to fiscal 2014 is primarily due to an increase in taxable earnings during fiscal 2015, the year-over-year change in the reversal of certain valuation allowances and adjustments to income tax reserves, and the relative mix of earnings and losses within the taxing jurisdictions in which we operate.

NET INCOME AND NET INCOME PER SHARE - DILUTED

The following tables provide an analysis of GAAP net income and net income per share-diluted and non-GAAP net income and net income per share-diluted as well as a reconciliation of results recorded in accordance with GAAP and non-GAAP financial measures for the fiscal years ended January 31, 2016, 2015 and 2014 (\$ in millions, except per share data):



GAAP TO NON-GAAP RECONCILIATION OF NET INCOME ⁽¹⁾

Year ended January 31:	2016	2015	2014
(in millions)			
Net income	\$ 265.7	\$ 175.2	\$ 179.9
LCD settlements, net	(63.2)	(3.2)	(22.0)
Value added tax assessments and related interest expense	(12.7)	(6.2)	—
Restatement and remediation related expenses	0.6	16.5	39.1
Loss on disposal of subsidiaries	0.6	1.3	—
Reversal of deferred tax valuation allowances and income taxes on undistributed earnings of assets held for sale	—	(13.6)	(45.3)
Acquisition-related intangible assets amortization expense	17.2	20.8	21.3
Non-GAAP net income	\$ 208.2	\$ 190.8	\$ 173.0

(1) Amounts presented net of tax.

GAAP TO NON-GAAP RECONCILIATION OF NET INCOME PER SHARE-DILUTED ⁽¹⁾

Year ended January 31:	2016	2015	2014
Net income per share-diluted	\$ 7.36	\$ 4.57	\$ 4.71
LCD settlements, net	(1.75)	(0.08)	(0.58)
Value added tax assessments and related interest expense	(0.35)	(0.16)	—
Restatement and remediation related expenses	0.02	0.43	1.02
Loss on disposal of subsidiaries	0.02	0.03	—
Reversal of deferred tax valuation allowances and income taxes on undistributed earnings of assets held for sale	—	(0.36)	(1.19)
Acquisition-related intangible assets amortization expense	0.47	0.54	0.56
Non-GAAP net income per share-diluted	\$ 5.77	\$ 4.97	\$ 4.52

(1) Amounts presented net of tax.

IMPACT OF INFLATION

During the fiscal years ended January 31, 2016, 2015 and 2014 , we do not believe that inflation had a material impact on our consolidated results of operations or on our financial position.

SEASONALITY

Our quarterly operating results have fluctuated significantly in the past and will likely continue to do so in the future as a result of currency fluctuations and seasonal variations in the demand for the products and services we sell. Narrow operating margins may magnify the impact of these factors on our operating results. Recent historical seasonal variations have included an increase in European demand during our fiscal fourth quarter and decreased demand in other fiscal quarters. Given that the majority of our net sales are derived from Europe, our consolidated results closely follow the seasonality trends in Europe. The seasonal trend in Europe typically results in greater operating leverage, and therefore, lower SG&A as a percentage of net sales in the region and on a consolidated basis during the second semester of our fiscal year, particularly in our fourth quarter. Additionally, the life cycles of major products, as well as the impact of future acquisitions and divestitures, may also materially impact our business, financial condition, or results of operations (see Note 15 of Notes to Consolidated Financial Statements for further information regarding our quarterly results).

LIQUIDITY AND CAPITAL RESOURCES

Our discussion of liquidity and capital resources includes an analysis of our cash flows and capital structure for all periods presented.

CASH CONVERSION CYCLE



As a distribution company, our business requires significant investment in working capital, particularly accounts receivable and inventory, partially financed through our accounts payable to vendors. An important driver of our operating cash flows is our cash conversion cycle (also referred to as “net cash days”). Our net cash days are defined as days of sales outstanding in accounts receivable plus days of supply on hand in inventory, less days of purchases outstanding in accounts payable. We manage our cash conversion cycle on a daily basis throughout the year and our reported financial results reflect that cash conversion cycle at the balance sheet date. The following tables present the components of our cash conversion cycle, in days, as of January 31, 2016, 2015, 2014 and 2013.



CASH FLOWS

The following table summarizes Tech Data’s Consolidated Statement of Cash Flows:

Year ended January 31:	2016	2015	2014
(in millions)			
Net cash provided by (used in):			
Operating activities	\$ 189.0	\$ 119.4	\$ 379.1
Investing activities	(41.8)	(21.1)	(24.0)
Financing activities	(143.3)	(49.1)	(127.3)
Effect of exchange rate changes on cash and cash equivalents	(15.7)	(72.1)	1.7
Net (decrease) increase in cash and cash equivalents	<u>\$ (11.8)</u>	<u>\$ (22.9)</u>	<u>\$ 229.5</u>

OPERATING ACTIVITIES

- The increase in cash resulting from operating activities in fiscal 2016 compared to fiscal 2015 can be primarily attributed to higher earnings partially offset by higher income taxes paid.
- The decrease in cash provided by operating activities in fiscal 2015 compared to 2014 is primarily due to changes in the cash conversion cycle, including a 2 day decrease in fiscal 2014 due to lower days of sales outstanding and a 1 day increase in fiscal 2015, primarily due to lower days of purchases outstanding as illustrated above.

The significant components of our investing and financing cash flow activities are listed below.

INVESTING ACTIVITIES

2016

- \$34.0 million of capital expenditures
- \$27.8 million of cash paid for the acquisition of Signature Technology Group, Inc.
- \$20.0 million of proceeds from the sale of our subsidiaries in Chile and Peru

2015

- \$28.2 million of capital expenditures
- \$7.1 million of proceeds from the sale of a building

2014

- \$28.9 million of capital expenditures
- \$6.4 million of cash provided by acquisitions, primarily due to the final settlement of the purchase price for the acquisition of Specialist Distribution Group

FINANCING ACTIVITIES

2016

- \$147.0 million paid for the repurchase of shares of common stock under our share repurchase program
- \$5.9 million of net borrowings on our revolving credit lines

2015

- \$53.0 million paid for the repurchase of shares of common stock under our share repurchase program
- \$5.1 million related to acquisition earn-out payments
- \$7.3 million of net borrowings on our revolving credit lines

2014

- \$122.7 million of net repayments on our revolving credit lines
- \$6.2 million related to acquisition earn-out payments

CAPITAL RESOURCES AND DEBT COMPLIANCE

Our debt to total capital ratio was 15% at January 31, 2016. We believe a conservative approach to our capital structure will continue to support us in the current global economic environment. As part of our capital structure and to provide us with significant liquidity, we have a diverse range of financing facilities across our geographic regions with various financial institutions. Also providing us liquidity are our cash and cash equivalents balances across our regions which are deposited and/or invested with various financial institutions. We are exposed to risk of loss on funds deposited with these financial institutions; however, we monitor our financing and depository financial institution partners regularly for credit quality. We believe that our existing sources of liquidity, including our financing facilities, cash resources and cash provided by operating activities are sufficient to meet our working capital needs and cash requirements for at least the next 12 months. Apart from our working capital needs, we expect to incur total capital expenditures of approximately \$42 million during fiscal 2017 for equipment and machinery in our logistics centers, office facilities and IT systems.

At January 31, 2016, we had approximately \$531.2 million in cash and cash equivalents, of which \$495.7 million was held in our foreign subsidiaries. As discussed above, the Company currently has sufficient resources, cash flows and liquidity within the United States to fund current and expected future working capital requirements. Historically, the Company has utilized and reinvested cash earned outside the United States to fund foreign operations and expansion, and plans to continue reinvesting such earnings and future earnings indefinitely outside of the United States. If the Company's plans for the use of cash earned outside of the United States change in the future, cash and cash equivalents held by our foreign subsidiaries could not be repatriated to the United States without potential negative income tax consequences.

The following is a discussion of our various financing facilities:

Senior notes

In September 2012, the Company issued \$350.0 million aggregate principal amount of 3.75% Senior Notes in a public offering (the "Senior Notes") resulting in cash proceeds of approximately \$345.8 million, net of debt discount and debt issuance costs of approximately \$1.3 million and \$2.9 million, respectively. The debt discount and debt issuance costs incurred in connection with the public offering are amortized over the life of the Senior Notes as additional interest expense using the effective interest method. We pay interest on the Senior Notes semi-annually in arrears on March 21 and September 21 of each year, ending on the maturity date of September 21, 2017. We may, at our option, redeem the Senior Notes at any time in whole or in part, at a redemption price equal to the greater of (i) 100% of the principal amount of the Senior Notes to be redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the Senior Notes being redeemed, discounted at a rate equal to the sum of the

applicable Treasury Rate plus 50 basis points, plus accrued and unpaid interest up to the date of redemption. The Senior Notes rank equal in right of payment to all of our other senior unsecured indebtedness and senior in right of payment to all of our subordinated indebtedness.

Other credit facilities

We have a \$500.0 million revolving credit facility with a syndicate of banks (the "Credit Agreement"). The credit agreement was amended on November 5, 2015, which, among other things, provides for (i) a maturity date of November 5, 2020, (ii) an interest rate on borrowings, facility fees and letter of credit fees based on our non-credit enhanced senior unsecured debt rating as determined by Standard & Poor's Rating Service and Moody's Investor Service, and (iii) the ability to increase the facility to a maximum of \$750.0 million, subject to certain conditions. We pay interest on advances under the Credit Agreement at the applicable LIBOR rate (or similar interbank offered rates depending on currency draw) plus a predetermined margin that is based on our debt rating. There were no amounts outstanding under the Credit Agreement at January 31, 2016 and 2015 .

We also have an agreement with a syndicate of banks (the "Receivables Securitization Program") that allows us to transfer an undivided interest in a designated pool of U.S. accounts receivable, on an ongoing basis, to provide collateral for borrowings up to a maximum of \$400.0 million. Under this program, the Company transfers certain U.S. trade receivables into a wholly-owned bankruptcy remote special purpose entity. Such receivables, which are recorded in the Consolidated Balance Sheet, totaled \$721.1 million and \$594.9 million at January 31, 2016 and 2015, respectively. As collections reduce accounts receivable balances included in the collateral pool, the Company may transfer interests in new receivables to bring the amount available to be borrowed up to the maximum. The Receivables Securitization Program was renewed in August 2015 with a maturity date of November 16, 2017, and interest is to be paid on advances at the applicable commercial paper or LIBOR rate plus an agreed-upon margin. There were no amounts outstanding under the Receivables Securitization Program at January 31, 2016 and 2015 .

In addition to the facilities described above, we have various other committed and uncommitted lines of credit and overdraft facilities totaling approximately \$308.0 million at January 31, 2016 to support our operations. Most of these facilities are provided on an unsecured, short-term basis and are reviewed periodically for renewal. There was \$18.1 million outstanding on these facilities at January 31, 2016 , at a weighted average interest rate of 5.26% , and there was \$12.8 million outstanding at January 31, 2015 , at a weighted average interest rate of 4.97% .

At January 31, 2016 , we had also issued standby letters of credit of \$29.6 million. These letters of credit typically act as a guarantee of payment to certain third parties in accordance with specified terms and conditions. The issuance of these letters of credit reduces the Company's borrowing availability under certain of the above-mentioned credit facilities.

Certain of our credit facilities contain limitations on the amounts of annual dividends and repurchases of common stock and require compliance with other obligations, warranties and covenants. The financial ratio covenants within these credit facilities include a maximum debt to capitalization ratio and a minimum interest coverage ratio. At January 31, 2016 , we were in compliance with all such financial covenants. In light of these financial covenants, the Company's maximum borrowing availability on its credit facilities was restricted to \$845.9 million , of which \$18.1 million was outstanding at January 31, 2016 .

Accounts receivable purchase agreements

We have uncommitted accounts receivable purchase agreements under which certain accounts receivable may be sold, without recourse, to third-party financial institutions. Under these programs, we may sell certain accounts receivable in exchange for cash less a discount, as defined in the agreements. Available capacity under these programs, which we use as a source of working capital funding, is dependent on the level of accounts receivable eligible to be sold into these programs and the financial institutions' willingness to purchase such receivables. In addition, certain of these agreements also require that we continue to service, administer and collect the sold accounts receivable. At January 31, 2016 and 2015 , the Company had a total of \$554.2 million and \$310.9 million , respectively, of accounts receivable sold to and held by financial institutions under these agreements. During the fiscal years ended January 31, 2016, 2015 and 2014 , discount fees recorded under these facilities were \$4.4 million , \$4.4 million, and \$3.4 million, respectively, which are included as a component of "other expense (income), net" in the Company's Consolidated Statement of Income.

Share repurchase programs

During fiscal 2016 , we repurchased 2,497,029 shares of our common stock at a cost of \$147.0 million in connection with our two \$100.0 million share repurchase program approved by the Board of Directors in June 2015 and December 2014. These share repurchase programs were completed during fiscal 2016 .

RETURN ON INVESTED CAPITAL

As discussed previously, one of our key financial objectives is to earn a return on invested capital ("ROIC") above our weighted average cost of capital. Our ROIC is calculated based on non-GAAP operating income (as previously defined), on an after-tax basis, divided by the average total debt and non-GAAP shareholders' equity balances, less cash, for the prior five quarters. Management believes that providing this additional information is useful to investors because it provides a meaningful comparison of our performance between periods. The following table presents a detailed calculation of our ROIC:

Year ended January 31:	2016	2015	2014
(in millions)			
ROIC ^(A/B)	13%	11%	10%
Non-GAAP Net Operating Profit After Tax ("NOPAT") ^(A) :			
Non-GAAP Operating Income	\$ 319.1	\$ 308.0	\$ 274.9
Non-GAAP effective tax rate	28.5%	31.8%	31.5%
Non-GAAP NOPAT (Non-GAAP operating income x (1 - non-GAAP effective tax rate))	\$ 228.2	\$ 210.2	\$ 188.2
Average Invested Capital ^(B) :			
Short-term debt (5-qtr average)	\$ 16.5	\$ 40.3	\$ 66.6
Long-term debt (5-qtr average)	350.4	352.0	351.7
Non-GAAP Shareholders' Equity (5-qtr average)	1,943.7	2,103.3	1,973.2
Total average capital	2,310.6	2,495.6	2,391.5
Less: Cash (5-qtr average)	(597.7)	(573.2)	(459.0)
Average invested capital less average cash	\$ 1,712.9	\$ 1,922.4	\$ 1,932.5

(A/B) ROIC is calculated as Non-GAAP Net Operating Profit After Tax divided by Average Invested Capital (less average cash)

CONTRACTUAL OBLIGATIONS

As of January 31, 2016, future payments of debt and amounts due under future minimum lease payments, including minimum commitments under an agreement for data center services, are as follows (in millions):

	Operating leases	Debt ⁽¹⁾	Total
Fiscal year:			
2017	\$ 46.6	\$ 31.2	\$ 77.8
2018	42.7	363.1	405.8
2019	34.8	0.0	34.8
2020	30.2	0.0	30.2
2021	27.2	0.0	27.2
Thereafter	22.8	0.0	22.8
Total payments	204.3	394.3	598.6
Less amounts representing interest	—	(26.2)	(26.2)
Total principal payments	\$ 204.3	\$ 368.1	\$ 572.4

(1) Amounts include interest on the Senior Notes calculated at the fixed rate of 3.75% per year and exclude estimated interest on the committed and uncommitted revolving credit facilities as these facilities are at variable rates of interest.

Fair value renewal and escalation clauses exist for a substantial portion of the operating leases included above. Purchase orders for the purchase of inventory and other goods and services are not included in the table above. We are not able to determine the aggregate amount of such purchase orders that represent contractual obligations, as purchase orders typically represent authorizations to purchase rather than binding agreements. For the purposes of this table, contractual obligations for purchase of goods or services are defined as agreements that are enforceable and legally binding on the Company and that specify all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. Our purchase orders are based on our current demand expectations and are fulfilled by our vendors within short time horizons. We do not have significant non-cancelable agreements for the purchase of inventory or other goods specifying minimum quantities or set prices that exceed our expected requirements for the next three months. We also enter into contracts for outsourced services; however, the

obligations under these contracts were not significant, other than an agreement for data center services included above, and the contracts generally contain clauses allowing for cancellation without significant penalty.

OFF-BALANCE SHEET ARRANGEMENTS

Synthetic Lease Facility

We have a synthetic lease facility with a group of financial institutions (the "Synthetic Lease") under which we lease certain logistics centers and office facilities from a third-party lessor that expires in June 2018. Properties leased under the Synthetic Lease are located in Clearwater and Miami, Florida; Fort Worth, Texas; Fontana, California; Suwanee, Georgia; Swedesboro, New Jersey; and South Bend, Indiana. The Synthetic Lease is accounted for as an operating lease and rental payments are calculated at the applicable LIBOR rate plus a margin based on our credit ratings.

Upon not less than 30 days notice, at our option, we may purchase one or any combination of the properties, at an amount equal to each of the property's cost, as long as the lease balance does not decrease below a defined amount. Upon not less than 270 days, nor more than 360 days, prior to the lease expiration, we may, at our option, i) purchase a minimum of two of the properties, at an amount equal to each of the property's cost, ii) exercise the option to renew the lease for a minimum of two of the properties or iii) exercise the option to remarket a minimum of two of the properties and cause a sale of the properties. If we elect to remarket the properties, we have guaranteed the lessor a percentage of the cost of each property, in the aggregate amount of approximately \$133.8 million. Future minimum lease payments under the Synthetic Lease are approximately \$3.0 million per year.

The Synthetic Lease contains covenants that must be complied with, similar to the covenants described in certain of the credit facilities discussed in Note 7 of Notes to Consolidated Financial Statements. As of January 31, 2016, the Company was in compliance with all such covenants.

Guarantees

As is customary in the technology industry, to encourage certain customers to purchase product from us, we have arrangements with certain finance companies that provide inventory financing facilities for our customers. In conjunction with certain of these arrangements, we have agreements with the finance companies that would require us to repurchase certain inventory, which might be repossessed from the customers by the finance companies. Due to various reasons, including among other items, the lack of information regarding the amount of saleable inventory purchased from us still on hand with the customer at any point in time, our repurchase obligations relating to inventory cannot be reasonably estimated. Repurchases of inventory by us under these arrangements have been insignificant to date.

We also provide additional financial guarantees to finance companies on behalf of certain customers. The majority of these guarantees are for an indefinite period of time, where we would be required to perform if the customer is in default with the finance company related to purchases made from us. We review the underlying credit for these guarantees on at least an annual basis. As of January 31, 2016 and 2015, the outstanding amount of guarantees under these arrangements totaled \$4.6 million and \$5.5 million, respectively. We believe that, based on historical experience, the likelihood of a material loss pursuant to the above inventory repurchase obligations and guarantees is remote.

ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk.

As a large global organization, we face exposure to adverse movements in foreign currency exchange rates. These exposures may change over time as business practices evolve and could have a material impact on our financial results in the future. In the normal course of business, we employ established policies and procedures to manage our exposure to fluctuations in the value of foreign currencies. It is our policy to utilize financial instruments to reduce risks where internal netting cannot be effectively employed. Additionally, we do not enter into derivative instruments for speculative or trading purposes. With respect to our internal netting practices, we will consider inventory as an economic hedge against foreign currency exposure in accounts payable in certain circumstances. This practice offsets such inventory against corresponding accounts payable denominated in currencies other than the functional currency of the subsidiary buying the inventory, when determining our net exposure to be hedged using traditional forward contracts. Under this strategy, we would expect to increase or decrease our selling prices for products purchased in foreign currencies based on fluctuations in foreign currency exchange rates affecting the underlying accounts payable. To the extent we incur a foreign currency exchange loss (gain) on the underlying accounts payable denominated in the foreign currency, we would expect to see a corresponding increase (decrease) in gross profit as the related inventory is sold. This strategy can result in a certain degree of quarterly earnings volatility as the underlying accounts payable is remeasured using the foreign currency exchange rate prevailing at the end of each period, or settlement date if earlier, whereas the corresponding increase (decrease) in gross profit is not realized until the related inventory is sold.

Our foreign currency exposure relates to our transactions in Europe, Canada and Latin America, where the currency collected from customers can be different from the currency used to purchase the product. Our transactions in foreign currencies are denominated primarily in the following currencies: U.S. dollar, British pound, Canadian dollar, Czech koruna, Danish krone, euro, Norwegian krone, Polish zloty, Swedish krona and Swiss franc. Our foreign currency risk management objective is to protect our earnings and cash flows from the adverse impact of exchange rate changes through the use of foreign currency forward and swap contracts to primarily hedge intercompany loans, accounts receivable and accounts payable.

We are also exposed to changes in interest rates primarily as a result of our short-term debt used to maintain liquidity and to finance working capital, capital expenditures and acquisitions. Interest rate risk is also present in the forward foreign currency contracts. Our interest rate risk management objective is to limit the impact of interest rate changes on earnings and cash flows and to minimize overall borrowing costs. To achieve our objective, we use a combination of fixed and variable rate debt. The nature and amount of our long-term and short-term debt can be expected to vary as a result of future business requirements, market conditions and other factors. Approximately 95% and 89%, respectively, of our outstanding debt had fixed interest rates at January 31, 2016 and 2015. We utilize various financing instruments, such as receivables securitization, leases, revolving credit facilities, and trade receivable purchase facilities, to finance working capital needs. To the extent that there are changes in interest rates, the fair value of our fixed rate debt may fluctuate.

In order to provide an assessment of our foreign currency exchange rate and interest rate risk, we performed a sensitivity analysis using a value-at-risk ("VaR") model. The VaR model consisted of using a Monte Carlo simulation to generate 1,000 random market price paths. The VaR model determines the potential impact of the fluctuation in foreign exchange rates and interest rates assuming a one-day holding period, normal market conditions and a 95% confidence level. The VaR is the maximum expected loss in fair value for a given confidence interval to our foreign exchange portfolio due to adverse movements in the rates. The model is not intended to represent actual losses but is used as a risk estimation and management tool. Firm commitments, assets and liabilities denominated in foreign currencies were excluded from the model.

The following table represents the estimated maximum potential one-day loss in fair value at a 95% confidence level (in thousands), calculated using the VaR model at January 31, 2016 and 2015. We believe that the hypothetical loss in fair value of our foreign exchange derivatives would be offset by the gains in the value of the underlying transactions being hedged.

VaR**As of January 31:**

(in millions)	2016	2015
Foreign currency exchange rate sensitive financial instruments	\$ (735)	\$ (9,108)
Interest rate sensitive financial instruments	(247)	(412)
Combined portfolio	<u>\$ (982)</u>	<u>\$ (9,520)</u>

Actual future gains and losses associated with our derivative positions may differ materially from the analyses performed as of January 31, 2016, due to the inherent limitations associated with predicting the changes in the timing and amount of interest rates, foreign currency exchanges rates, and our actual exposures and positions.

ITEM 8. *Financial Statements and Supplementary Data.*

Index to Financial Statements

	Page
Financial Statements	
Report of Independent Registered Certified Public Accounting Firm	38
Consolidated Balance Sheet	39
Consolidated Statement of Income	40
Consolidated Statement of Comprehensive Income	41
Consolidated Statement of Shareholders' Equity	42
Consolidated Statement of Cash Flows	43
Notes to Consolidated Financial Statements	44
Financial Statement Schedule	
Schedule II—Valuation and Qualifying Accounts	74

All schedules and exhibits not included are not applicable, not required or would contain information which is shown in the financial statements or notes thereto.

Report of Independent Registered Certified Public Accounting Firm

The Board of Directors and Shareholders of Tech Data Corporation

We have audited the accompanying consolidated balance sheets of Tech Data Corporation and subsidiaries as of January 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended January 31, 2016. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tech Data Corporation and subsidiaries at January 31, 2016 and 2015, and the consolidated results of their operations and their cash flows for each of the three years in the period ended January 31, 2016, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Tech Data Corporation and subsidiaries' internal control over financial reporting as of January 31, 2016, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 24, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Tampa, Florida
March 24, 2016

TECH DATA CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(In thousands, except share amounts)

As of January 31:	2016	2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 531,169	\$ 542,995
Accounts receivable, less allowances of \$45,875 and \$50,143	2,995,114	2,811,963
Inventories	2,117,384	1,959,627
Prepaid expenses and other assets	178,394	161,832
Assets held for sale	—	101,706
Total current assets	<u>5,822,061</u>	<u>5,578,123</u>
Property and equipment, net	66,028	63,104
Goodwill	204,114	198,565
Intangible assets, net	159,386	176,754
Other assets, net	106,699	120,179
Total assets	<u>\$ 6,358,288</u>	<u>\$ 6,136,725</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 3,427,580	\$ 3,119,618
Accrued expenses and other liabilities	487,003	538,758
Revolving credit loans and current maturities of long-term debt, net	18,063	13,303
Liabilities held for sale	—	71,447
Total current liabilities	<u>3,932,646</u>	<u>3,743,126</u>
Long-term debt, less current maturities	348,608	351,576
Other long-term liabilities	71,279	81,880
Total liabilities	<u>4,352,533</u>	<u>4,176,582</u>
Commitments and contingencies (Note 13)		
Shareholders' equity:		
Common stock, par value \$.0015; 200,000,000 shares authorized; 59,245,585 shares issued at January 31, 2016 and 2015; 35,082,183 and 37,379,516 shares outstanding at January 31, 2016 and 2015, respectively	89	89
Additional paid-in capital	682,227	679,973
Treasury stock, at cost (24,163,402 and 21,866,069 shares at January 31, 2016 and 2015)	(1,077,434)	(939,143)
Retained earnings	2,434,198	2,168,462
Accumulated other comprehensive (loss) income	(33,325)	50,762
Total shareholders' equity	<u>2,005,755</u>	<u>1,960,143</u>
Total liabilities and shareholders' equity	<u>\$ 6,358,288</u>	<u>\$ 6,136,725</u>

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

TECH DATA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
(In thousands, except per share amounts)

Year ended January 31:	2016	2015	2014
Net sales	\$ 26,379,783	\$ 27,670,632	\$ 26,821,904
Cost of products sold	25,093,122	26,276,678	25,459,558
Gross profit	1,286,661	1,393,954	1,362,346
Operating expenses:			
Selling, general and administrative expenses	990,934	1,114,234	1,116,553
LCD settlements, net	(98,433)	(5,059)	(35,511)
Value added tax assessments	(8,796)	(6,229)	—
Restatement and remediation related expenses	829	22,043	53,791
Loss on disposal of subsidiaries	699	1,330	—
	885,233	1,126,319	1,134,833
Operating income	401,428	267,635	227,513
Interest expense	14,488	26,548	26,606
Other expense (income), net	4,522	1,903	(3,402)
Income before income taxes	382,418	239,184	204,309
Provision for income taxes	116,682	64,012	24,377
Net income	\$ 265,736	\$ 175,172	\$ 179,932
Net income per share			
Basic	\$ 7.40	\$ 4.59	\$ 4.73
Diluted	\$ 7.36	\$ 4.57	\$ 4.71
Weighted average common shares outstanding:			
Basic	35,898	38,172	38,020
Diluted	36,097	38,354	38,228

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

TECH DATA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(In thousands)

Year ended January 31:	2016	2015	2014
Net income	\$ 265,736	\$ 175,172	\$ 179,932
Other comprehensive loss:			
Foreign currency translation adjustment	(84,087)	(273,809)	(5,536)
Total comprehensive income (loss)	<u>\$ 181,649</u>	<u>\$ (98,637)</u>	<u>\$ 174,396</u>

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

TECH DATA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(In thousands)

	Common Stock		Additional paid-in capital	Treasury stock	Retained earnings	Accumulated other comprehensive (loss) income	Total equity
	Shares	Amount					
Balance—January 31, 2013	59,246	\$ 89	\$ 680,715	\$ (905,900)	\$ 1,813,358	\$ 330,107	\$ 1,918,369
Issuance of treasury stock for benefit plan and equity-based awards exercised, including related tax benefit of \$1,038	—	—	(13,976)	10,964	—	—	(3,012)
Stock-based compensation expense	—	—	8,858	—	—	—	8,858
Total other comprehensive loss	—	—	—	—	—	(5,536)	(5,536)
Net income	—	—	—	—	179,932	—	179,932
Balance—January 31, 2014	59,246	89	675,597	(894,936)	1,993,290	324,571	2,098,611
Purchase of treasury stock, at cost	—	—	—	(52,997)	—	—	(52,997)
Issuance of treasury stock for benefit plan and equity-based awards exercised, including related tax benefit of \$2,302	—	—	(9,292)	8,790	—	—	(502)
Stock-based compensation expense	—	—	13,668	—	—	—	13,668
Total other comprehensive loss	—	—	—	—	—	(273,809)	(273,809)
Net income	—	—	—	—	175,172	—	175,172
Balance—January 31, 2015	59,246	89	679,973	(939,143)	2,168,462	50,762	1,960,143
Purchase of treasury stock, at cost	—	—	—	(147,003)	—	—	(147,003)
Issuance of treasury stock for benefit plan and equity-based awards exercised, including related tax benefit of \$182	—	—	(12,636)	8,712	—	—	(3,924)
Stock-based compensation expense	—	—	14,890	—	—	—	14,890
Total other comprehensive loss	—	—	—	—	—	(84,087)	(84,087)
Net income	—	—	—	—	265,736	—	265,736
Balance—January 31, 2016	<u>59,246</u>	<u>\$ 89</u>	<u>\$ 682,227</u>	<u>\$ (1,077,434)</u>	<u>\$ 2,434,198</u>	<u>\$ (33,325)</u>	<u>\$ 2,005,755</u>

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

TECH DATA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(In thousands)

Year ended January 31:	2016	2015	2014
Cash flows from operating activities:			
Cash received from customers	\$ 28,119,687	\$ 29,380,493	\$ 28,253,552
Cash paid to vendors and employees	(27,824,548)	(29,177,542)	(27,775,887)
Interest paid, net	(20,264)	(24,546)	(23,082)
Income taxes paid	(85,882)	(59,024)	(75,435)
Net cash provided by operating activities	<u>188,993</u>	<u>119,381</u>	<u>379,148</u>
Cash flows from investing activities:			
Acquisition of businesses, net of cash acquired	(27,848)	—	6,377
Acquisition of trademark	—	—	(1,519)
Expenditures for property and equipment	(20,917)	(18,639)	(15,598)
Proceeds from sale of fixed assets	—	7,121	—
Software and software development costs	(13,055)	(9,536)	(13,271)
Proceeds from sale of subsidiaries	20,020	—	—
Net cash used in investing activities	<u>(41,800)</u>	<u>(21,054)</u>	<u>(24,011)</u>
Cash flows from financing activities:			
Proceeds from the reissuance of treasury stock	561	1,456	1,139
Cash paid for purchase of treasury stock	(147,003)	(52,997)	—
Acquisition earn-out payments	(2,736)	(5,060)	(6,183)
Net borrowings (repayments) on revolving credit loans	5,912	7,269	(122,656)
Principal payments on long-term debt	(319)	(546)	(538)
Excess tax benefit from stock-based compensation	237	749	927
Net cash used in financing activities	<u>(143,348)</u>	<u>(49,129)</u>	<u>(127,311)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(15,671)</u>	<u>(72,057)</u>	<u>1,711</u>
Net (decrease) increase in cash and cash equivalents	(11,826)	(22,859)	229,537
Cash and cash equivalents at beginning of year	542,995	570,101	340,564
Less: Cash balance of businesses held for sale at end of year	—	4,247	—
Cash and cash equivalents at end of year	<u>\$ 531,169</u>	<u>\$ 542,995</u>	<u>\$ 570,101</u>
Reconciliation of net income to net cash provided by operating activities:			
Net income	\$ 265,736	\$ 175,172	\$ 179,932
Adjustments to reconcile net income to net cash provided by operating activities:			
Loss on disposal of subsidiaries	699	1,330	—
Depreciation and amortization	57,253	68,746	72,979
Provision for losses on accounts receivable	6,061	10,415	11,725
Stock-based compensation expense	14,890	13,668	8,858
Accretion of debt discount and debt issuance costs on Senior Notes	839	839	839
Deferred income taxes	2,387	(335)	(53,484)
Excess tax benefit from stock-based compensation	(237)	(749)	(927)
Gain on sale of fixed assets	—	(2,350)	—
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	(297,637)	22,166	(36,031)
Inventories	(219,482)	245,474	(209,383)
Prepaid expenses and other assets	(44,384)	31,254	77,162
Accounts payable	426,412	(469,757)	321,254
Accrued expenses and other liabilities	(23,544)	23,508	6,224
Total adjustments	<u>(76,743)</u>	<u>(55,791)</u>	<u>199,216</u>
Net cash provided by operating activities	<u>\$ 188,993</u>	<u>\$ 119,381</u>	<u>\$ 379,148</u>

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

**TECH DATA CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1 — BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Tech Data Corporation ("Tech Data" or the "Company") is one of the world's largest wholesale distributors of technology products. The Company serves as an indispensable link in the technology supply chain by bringing products from the world's leading technology vendors to market, as well as providing customers with advanced logistics capabilities and value-added services. Tech Data's customers include value-added resellers, direct marketers, retailers and corporate resellers who support the diverse technology needs of end users. The Company is managed in two geographic segments: the Americas and Europe.

Principles of Consolidation

The consolidated financial statements include the accounts of Tech Data and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. The Company operates on a fiscal year that ends on January 31.

Basis of Presentation

The consolidated financial statements have been prepared by the Company, pursuant to the rules and regulations of the United States Securities and Exchange Commission ("SEC"). The Company prepares its financial statements in conformity with generally accepted accounting principles in the United States ("GAAP"). These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Revenue is recognized once four criteria are met: (1) the Company must have persuasive evidence that an arrangement exists; (2) delivery must occur, which generally happens at the point of shipment (this includes the transfer of both title and risk of loss, provided that no significant obligations remain); (3) the price must be fixed or determinable; and (4) collectability must be reasonably assured. Shipping revenue is included in net sales while the related costs, including shipping and handling costs, are included in the cost of products sold. The Company allows its customers to return product for exchange or credit subject to certain limitations. A provision for such returns is recorded at the time of sale based upon historical experience. The Company also has certain fulfillment, extended warranty and service contracts with certain customers and suppliers whereby the Company assumes an agency relationship in the transaction. In such arrangements where the Company is not the primary obligor, revenues are recognized as the net fee associated with serving as an agent. Taxes imposed by governmental authorities on the Company's revenue-producing activities with customers, such as sales taxes and value added taxes, are excluded from net sales.

Service revenue associated with configuration, training, fulfillment and other services is recognized when the work is complete and the four criteria discussed above have been met. Service revenues have represented less than 10% of consolidated net sales for fiscal years 2016, 2015 and 2014 .

The company generated approximately 20% , 15% , and 13% of consolidated net sales in fiscal 2016, 2015 and 2014 , respectively, from products purchased from Apple, Inc. and 18% , 19% and 21% of consolidated net sales in fiscal 2016, 2015 and 2014 , respectively, were generated from products purchased from Hewlett-Packard Company ("HP"). HP split into two separate companies, HP Inc. ("HPI") and Hewlett Packard Enterprise ("HPE") effective November 1, 2015. The amounts presented in relation to HP include the combined sales generated from products purchased from HPI and HPE. There were no other vendors that accounted for 10% or more of the Company's consolidated net sales in fiscal 2016, 2015 and 2014 .

Cash and Cash Equivalents

Short-term investments which are highly liquid and have an original maturity of 90 days or less are considered cash equivalents.

Investments

The Company invests in life insurance policies to fund the Company's nonqualified deferred compensation plan. The life insurance asset recorded by the Company is the amount that would be realized upon the assumed surrender of the policy. This amount is based on the underlying fair value of the invested assets contained within the life insurance policies. The gains and losses are recorded in the Company's Consolidated Statement of Income within "other expense (income), net."

Accounts Receivable

The Company maintains an allowance for doubtful accounts receivable and sales returns for estimated losses resulting from the inability of our customers to make required payments and estimated product returns by customers for exchange or credit. In estimating the required allowance, the Company takes into consideration the overall quality and aging of the receivable portfolio, the large number of customers and their dispersion across wide geographic areas, the existence of credit insurance where applicable, specifically

identified customer risks, historical write-off and sales returns experience and the current economic environment. If actual customer performance were to deteriorate to an extent not expected by the Company, additional allowances may be required which could have an adverse effect on the Company's financial results. Conversely, if actual customer performance were to improve to an extent not expected by the Company, a reduction in the allowance may be required which could have a favorable effect on the Company's consolidated financial results.

The Company has uncommitted accounts receivable purchase agreements under which certain accounts receivable may be sold, without recourse, to third-party financial institutions. Under these programs, the Company may sell certain accounts receivable in exchange for cash less a discount, as defined in the agreements. Available capacity under these programs, which the Company uses as a source of working capital funding, is dependent on the level of accounts receivable eligible to be sold into these programs and the financial institutions' willingness to purchase such receivables. In addition, certain of these agreements also require that the Company continue to service, administer and collect the sold accounts receivable. At January 31, 2016 and 2015, the Company had a total of \$554.2 million and \$310.9 million, respectively, of accounts receivable sold to and held by financial institutions under these agreements. Discount fees recorded under these facilities, which are included as a component of "other expense (income), net" in the Company's Consolidated Statement of Income, were \$4.4 million, \$4.4 million and \$3.4 million during the fiscal years ended January 31, 2016, 2015 and 2014, respectively.

Inventories

Inventories, consisting entirely of finished goods, are stated at the lower of cost or market, cost being determined on a moving average cost basis, which approximates the first-in, first-out method. Inventory is written down for estimated obsolescence equal to the difference between the cost of inventory and the estimated market value, based upon an aging analysis of the inventory on hand, specifically known inventory-related risks (such as technological obsolescence and the nature of vendor terms surrounding price protection and product returns), foreign currency fluctuations for foreign-sourced product and assumptions about future demand. Market conditions or changes in terms and conditions by the Company's vendors that are less favorable than those projected by management may require additional inventory write-downs, which could have an adverse effect on the Company's consolidated financial results.

Vendor Incentives

The Company receives incentives from vendors related to cooperative advertising allowances, infrastructure funding, volume rebates and other incentive agreements. These incentives are generally under quarterly, semi-annual or annual agreements with the vendors; however, some of these incentives are negotiated on an ad-hoc basis to support specific programs mutually developed with the vendor. Unrestricted volume rebates and early payment discounts received from vendors are recorded when they are earned as a reduction of inventory and as a reduction of cost of products sold as the related inventory is sold. Vendor incentives for specifically identified cooperative advertising programs and infrastructure funding are recorded when earned as adjustments to product costs or selling, general and administrative expenses, depending on the nature of the program.

Reserves for receivables on vendor programs are recorded for estimated losses resulting from vendors' inability to pay or rejections of claims by vendors. Should amounts recorded as outstanding receivables from vendors be deemed uncollectible, additional allowances may be required which could have an adverse effect on the Company's consolidated financial results. Conversely, if amounts recorded as outstanding receivables from vendors were to improve to an extent not expected by the Company, a reduction in the allowance may be required which could have a favorable effect on the Company's consolidated financial results.

Property and Equipment

Property and equipment are stated at cost and property and equipment under capital leases are stated at the present value of the future minimum lease payments determined at the inception of the lease. Depreciation expense includes depreciation of purchased property and equipment and assets recorded under capital leases. Depreciation expense is computed over the shorter of the estimated economic lives or lease periods using the straight-line method, generally as follows:

	Years
Buildings and improvements	15 - 39
Leasehold improvements	3 - 10
Furniture, fixtures and equipment	3 - 10

Expenditures for renewals and improvements that significantly add to productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to operations when incurred. When assets are sold or retired, the cost of the asset and the related accumulated depreciation are eliminated and any gain or loss is recognized at such time.

Intangible Assets, net

Included within intangible assets, net at both January 31, 2016 and 2015 are capitalized software and development costs, as well as customer and vendor relationships, a preferred supplier agreement, noncompete agreements and trademarks acquired in connection with various business acquisitions. Such capitalized costs and intangible assets are being amortized over a period of three to ten years.

The Company's capitalized software has been obtained or developed for internal use only. Development and acquisition costs are capitalized for computer software only when management authorizes and commits to funding a computer software project through the approval of a capital expenditure requisition, and the software project is either for the development of new software, to increase the life of existing software or to add significantly to the functionality of existing software. Once these requirements have been met, capitalization would begin at the point that conceptual formulation, evaluation, design, and testing of possible software project alternatives have been completed. Capitalization ceases when the software project is substantially complete and ready for its intended use. The Company's accounting policy is to amortize capitalized software costs on a straight-line basis over periods ranging from three to ten years, depending upon the nature of the software, the stability of the hardware platform on which the software is installed, its fit in the Company's overall strategy, and our experience with similar software.

Prepaid maintenance fees associated with a software application are accounted for separately from the related software and amortized over the life of the maintenance agreement. General, administrative, overhead, training, non-development data conversion processes, and maintenance costs, as well as the costs associated with the preliminary project and post-implementation stages are expensed as incurred.

Impairment of Long-Lived Assets

Long-lived assets, including property and equipment and intangible assets, are reviewed for potential impairment at such time when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. An impairment loss is evaluated when the sum of the expected, undiscounted future net cash flows is less than the carrying amount of the asset. Any impairment loss is measured by comparing the fair value of the asset to its carrying value.

Goodwill

The Company performs an annual review for the potential impairment of the carrying value of goodwill, or more frequently if current events and circumstances indicate a possible impairment. For purposes of its goodwill analysis, the Company has two reporting units, which are also the Company's operating segments. The Company evaluates the appropriateness of performing a qualitative assessment, on a reporting unit level, based on current circumstances. If the results of the qualitative assessment indicate that it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, the two-step impairment test will not be performed. The factors that were considered in the qualitative analysis included macroeconomic conditions, industry and market considerations, cost factors such as increases in product cost, labor, or other costs that would have a negative effect on earnings and cash flows; and other relevant entity-specific events and information.

If the Company concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then the two-step impairment test is performed. The first step of the impairment test compares the fair value of the Company's reporting units with their carrying amounts, including goodwill. The fair values of the reporting units are estimated using market and discounted cash flow approaches. The assumptions used in the market approach are based on the value of a business through an analysis of multiples of guideline companies and recent sales or offerings of a comparable entity. The assumptions used in the discounted cash flow approach are based on historical and forecasted revenue, operating costs, future economic conditions, and other relevant factors. If the carrying amount exceeds fair value, then the second step of the impairment test is performed to measure the amount of any impairment loss. The amount of an impairment loss is recognized as the excess of the carrying value of goodwill over its implied fair value and is charged to expense in the period identified. The Company performs its annual review for goodwill impairment as of January 31st of each fiscal year.

Product Warranty

The Company's vendors generally warrant the products distributed by the Company and allow the Company to return defective products, including those that have been returned to the Company by its customers. The Company typically does not independently warrant the products it distributes; however, in several countries where the Company operates, the Company is responsible for defective product as a matter of law. The time period required by law in certain countries exceeds the warranty period provided by the manufacturer. The Company is obligated to provide warranty protection for sales of certain IT products within the European Union ("EU") for up to two years as required under the EU directive where vendors have not affirmatively agreed to provide pass-through protection. To date, the Company has not incurred any significant costs for defective products under these legal requirements. The Company does warrant services with regard to products integrated for its customers. A provision for estimated warranty costs is recorded at the time of sale and periodically adjusted to reflect actual experience. To date, the Company has not incurred any significant service warranty costs. Fees charged for products configured by the Company represented less than 10% of net sales for fiscal years 2016, 2015 and 2014 .

Value Added Taxes

The majority of our international operations are subject to a value added tax ("VAT"), which is typically applied to all goods and services purchased and sold. The Company's VAT liability represents VAT that has been recorded on sales to our customers and not yet remitted to the respective governmental authorities and the Company's VAT receivable represents VAT paid on purchases of goods and services that will be collected from future sales to our customers. At January 31, 2016 and 2015 , the Company's VAT liability was \$197.7 million and \$197.4 million , respectively and is included in "accrued expenses and other liabilities" on the Company's Consolidated Balance Sheet. In addition to its VAT liability, the Company recorded \$4.6 million and \$43.7 million in "accrued expenses and other liabilities" as of January 31, 2016 and 2015, respectively, for assessments, including penalties and interest, related to various VAT matters in one of the Company's subsidiaries in Spain as discussed further in Note 13 - Commitments and Contingencies. At

January 31, 2016 and 2015, the Company's VAT receivable was \$27.8 million and \$37.8 million, respectively, included in "prepaid expenses and other assets" on the Company's Consolidated Balance Sheet.

Income Taxes

Income taxes are accounted for under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on differences between the book basis and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the fiscal period that includes the enactment date. Deferred taxes have not been provided on the cumulative undistributed earnings of foreign subsidiaries or the cumulative translation adjustment related to those investments because such amounts are expected to be reinvested indefinitely.

The Company's future effective tax rates could be adversely affected by earnings being lower than anticipated in countries with lower statutory rates, changes in the relative mix of taxable income and taxable loss jurisdictions, changes in the valuation of deferred tax assets or liabilities or changes in tax laws or interpretations thereof. The Company considers all positive and negative evidence available in determining the potential realization of deferred tax assets, including the scheduled reversal of temporary differences, recent cumulative losses, recent and projected future taxable income and prudent and feasible tax planning strategies. In making this determination, the Company places greater emphasis on recent cumulative losses and recent taxable income due to the inherent lack of subjectivity associated with these factors. In addition, the Company is subject to the periodic examination of its income tax returns by the Internal Revenue Service and other tax authorities. The Company regularly assesses the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of its provision for income taxes. To the extent the Company was to prevail in matters for which accruals have been established or to be required to pay amounts in excess of such accruals, the Company's effective tax rate in a given financial statement period could be materially affected.

Concentration of Credit Risk

The Company's financial instruments which are subject to concentrations of credit risk consist primarily of cash and cash equivalents, accounts receivable and foreign currency exchange contracts. The Company's cash and cash equivalents are deposited and/or invested with various financial institutions globally that are monitored on a regular basis by the Company for credit quality.

The Company sells its products to a large base of value-added resellers, direct marketers, retailers and corporate resellers throughout the Americas and Europe. The Company performs ongoing credit evaluations of its customers and generally does not require collateral. The Company has obtained credit insurance, primarily in Europe, which insures a percentage of credit extended by the Company to certain of its customers against possible loss. The Company maintains provisions for estimated credit losses. No single customer accounted for more than 10% of the Company's net sales during fiscal years 2016, 2015 and 2014.

The Company also enters into foreign currency exchange contracts. In the event of a failure to honor one of these contracts by one of the banks with which the Company has contracted, the Company believes any loss would be limited in most circumstances to the exchange rate differential from the time the contract was executed until the time the contract was settled. The Company's foreign currency exchange contracts are executed with various financial institutions globally that are monitored on a regular basis by the Company for credit quality.

Foreign Currency Translation and Remeasurement

The assets and liabilities of the Company's foreign subsidiaries for which the local currency is the functional currency are translated into U.S. dollars using the exchange rate in effect at each balance sheet date and income and expense accounts are translated using weighted average exchange rates for each period during the year. Translation gains and losses are reported as components of accumulated other comprehensive income, included within shareholders' equity. Gains and losses from foreign currency transactions are included in the Company's Consolidated Statement of Income.

Derivative Financial Instruments

The Company faces exposure to changes in foreign currency exchange rates and interest rates. The Company reduces its exposure by creating offsetting positions through the use of derivative financial instruments, in the form of foreign currency forward contracts, in situations where there are not offsetting balances that create an economic hedge. Substantially all of these instruments have terms of 90 days or less. It is the Company's policy to utilize financial instruments to reduce risk where appropriate and prohibit entering into derivative financial instruments for speculative or trading purposes.

Derivative financial instruments are marked-to-market each period with gains and losses on these contracts recorded in the Company's Consolidated Statement of Income within "cost of products sold" for derivative instruments used to manage the Company's exposure to foreign denominated accounts receivable and accounts payable and within "other expense (income), net," for derivative instruments used to manage the Company's exposure to foreign denominated financing transactions. Such mark-to-market gains and losses are recorded in the period in which their value changes, with the offsetting entry for unsettled positions being recorded to either other current assets or other current liabilities.

Comprehensive Income

Comprehensive income is defined as the change in equity (net assets) of a business enterprise during a period from transactions and other events and circumstances from non-owner sources, and is comprised of "net income" and "other comprehensive income."

The Company's accumulated other comprehensive income included in total equity is comprised exclusively of changes in the Company's currency translation adjustment account, including applicable income taxes. Total accumulated other comprehensive income includes \$23.0 million of income taxes at January 31, 2016, 2015 and 2014, respectively.

Stock-Based Compensation

The Company records all equity-based incentive grants to employees and non-employee members of the Company's Board of Directors in "selling, general and administrative expenses" in the Company's Consolidated Statement of Income based on their fair values determined on the date of grant. Stock-based compensation expense, reduced for estimated forfeitures, is recognized on a straight-line basis over the requisite service period of the award, which is generally the vesting term of the outstanding equity awards. The Company estimates forfeiture rates based on its historical experience.

Treasury Stock

Treasury stock is accounted for at cost. Shares repurchased by the Company are held in treasury for general corporate purposes, including issuances under equity incentive and benefit plans. The reissuance of shares from treasury stock is based on the weighted average purchase price of the shares.

Contingencies

The Company accrues for contingent obligations, including estimated legal costs, when the obligation is probable and the amount is reasonably estimable. As facts concerning contingencies become known, the Company reassesses its position and makes appropriate adjustments to the financial statements. Estimates that are particularly sensitive to future changes include those related to tax, legal and other regulatory matters such as imports and exports, the imposition of international governmental controls, changes in the interpretation and enforcement of international laws (particularly related to items such as duty and taxation), and the impact of local economic conditions and practices, which are all subject to change as events evolve and as additional information becomes available during the administrative and litigation process.

Restatement and remediation related expenses

Restatement and remediation related expenses primarily include legal, accounting and third party consulting fees associated with (i) the restatement of certain of the Company's consolidated financial statements and other financial information from fiscal 2009 to fiscal 2013, (ii) the Audit Committee investigation to review the Company's accounting practices, (iii) incremental external audit and supplemental procedures by the Company in connection with the preparation of the Company's financial statements, and (iv) other incremental legal, accounting and consulting fees incurred as a result of the Company's restatement related investigation, regulatory requests for information or in conjunction with the Company's remediation of material weaknesses and other control deficiencies identified during the restatement. The Company incurred restatement and remediation related expenses of approximately \$0.8 million, \$22.0 million and \$53.8 million, respectively, during fiscal years 2016, 2015 and 2014, which are recorded in "restatement and remediation related expenses" in the Consolidated Statement of Income.

LCD Settlements, net

The Company has been a claimant in proceedings seeking damages from certain manufacturers of LCD flat panel and cathode ray tube displays. During fiscal 2016, 2015 and 2014, the Company reached settlement agreements with certain manufacturers in the amount of \$98.4 million, \$5.1 million and \$35.5 million, respectively, net of attorney fees and expenses, which are recorded in "LCD settlements, net" in the Consolidated Statement of Income.

Recently Adopted Accounting Standards

In April 2015, the Financial Accounting Standards Board ("FASB") issued an accounting standard which requires debt issuance costs to be presented in the balance sheet as a deduction from the carrying value of the associated debt liability. In August 2015, the FASB issued an accounting standard to clarify that for line-of-credit arrangements an entity can continue to defer and present debt issuance costs as an asset and subsequently amortize the deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement. The new guidance should be applied on a retrospective basis. The Company early adopted these standards in the first and third quarter of fiscal 2016, respectively. The adoption of these standards did not have a material impact on the Company's consolidated financial position and had no impact on its consolidated income, comprehensive income or cash flows.

In November 2015, the FASB issued an accounting standard which requires that deferred tax liabilities and assets be classified as noncurrent on the balance sheet. The standard is effective for annual periods beginning after December 15, 2016; however, early application is permitted. The Company early adopted this standard, on a prospective basis, in the fourth quarter of fiscal 2016. Deferred tax assets and deferred tax liabilities are recorded in "other assets, net" and "other long-term liabilities", respectively, in the Consolidated Balance Sheet at January 31, 2016. The adoption of this standard did not have a material impact on the Company's consolidated financial position and had no impact on its consolidated income, comprehensive income or cash flows. No prior periods

were retrospectively adjusted. Current deferred tax assets and current deferred tax liabilities are recorded in "prepaid expenses and other assets" and "accrued expenses and other liabilities", respectively, in the Consolidated Balance Sheet at January 31, 2015.

Recently Issued Accounting Standards

In May 2014, the FASB issued an accounting standard which will supersede all existing revenue recognition guidance under current GAAP. The new standard requires the recognition of revenue to depict the transfer of promised goods or services in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods and services. The accounting standard is effective for the Company beginning with the quarter ending April 30, 2018. The Company would have the option to adopt one year earlier and the standard may be adopted using either a full retrospective or a modified retrospective approach. The Company is currently in the process of assessing the method of adoption and what impact this new standard may have on its consolidated financial statements.

In April 2015, the FASB issued an accounting standard which provides guidance to customers about whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license, the license element should be accounted for consistent with the acquisition of other software licenses. If the cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. The standard will be effective for the Company beginning with the quarter ending April 30, 2016. The Company does not expect the adoption of this standard to have a material impact on the Company's consolidated financial statements.

In July 2015, the FASB issued a new accounting standard that simplifies the subsequent measurement of inventory. Under the new standard, the cost of inventory will be compared to the net realizable value (NRV). Net realizable value is defined as the estimated selling prices in the ordinary course of business less reasonably predictable costs of completion, disposal and transportation. The standard should be applied prospectively and will be effective for the Company beginning with the quarter ending April 30, 2017. The Company does not expect the adoption of this standard to have a material impact on the Company's Consolidated Financial Statements.

In February 2016, the FASB issued an accounting standard which requires the recognition of assets and liabilities arising from lease transactions on the balance sheet and the disclosure of additional information about leasing arrangements. Under the new guidance, for all leases, interest expense and amortization of the right to use asset will be recorded for leases determined to be financing leases and straight-line lease expense will be recorded for leases determined to be operating leases. Lessees will initially recognize assets for the right to use the leased assets and liabilities for the obligations created by those leases. The new accounting standard must be adopted using a modified retrospective approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The accounting standard is effective for the Company beginning with the quarter ended April 30, 2019, with early adoption permitted. The Company is currently in the process of assessing what impact this new standard may have on its consolidated financial statements.

Reclassifications

Certain reclassifications have been made to the accompanying January 31, 2015 and 2014 consolidated financial statements to conform to the January 31, 2016 financial statement presentation. These reclassifications did not have a material impact on previously reported total assets and total liabilities and had no impact on shareholders' equity or consolidated net income.

NOTE 2 — EARNINGS PER SHARE (“EPS”)

The Company reports a dual presentation of basic and diluted EPS. Basic EPS is computed by dividing net income by the weighted average number of shares outstanding during the reported period. Diluted EPS reflects the potential dilution related to equity-based incentives (further discussed in Note 9 - Employee Benefit Plans) using the treasury stock method. The composition of basic and diluted EPS (in thousands, except per share data) is as follows:

Year ended January 31:	2016	2015	2014
Net income	\$ 265,736	\$ 175,172	\$ 179,932
Weighted average common shares - basic	35,898	38,172	38,020
Effect of dilutive securities:			
Equity-based awards	199	182	208
Weighted average common shares - diluted	36,097	38,354	38,228
Net income per share			
Basic	\$ 7.40	\$ 4.59	\$ 4.73
Diluted	\$ 7.36	\$ 4.57	\$ 4.71

For the fiscal years ended January 31, 2016 and 2015, there were no shares excluded from the computation of diluted earnings per share because their effect would have been antidilutive. For the fiscal year ended January 31, 2014, there were 6,236 shares excluded from the computation of diluted earnings per share because their effect would have been antidilutive.

NOTE 3 — PROPERTY AND EQUIPMENT, NET

The Company's property and equipment (in thousands) consists of the following:

As of January 31:	2016	2015
Land	\$ 3,977	\$ 4,126
Buildings and leasehold improvements	68,377	71,808
Furniture, fixtures and equipment	283,842	295,247
Property and equipment	356,196	371,181
Less: accumulated depreciation	(290,168)	(308,077)
Property and equipment, net	\$ 66,028	\$ 63,104

Depreciation expense included in income from operations for the fiscal years ended January 31, 2016, 2015 and 2014 totaled \$16.3 million, \$19.2 million and \$20.2 million, respectively.

NOTE 4 — GOODWILL AND INTANGIBLE ASSETS

The changes in the carrying amount of goodwill, by geographic segment, for the fiscal year ended January 31, 2016, are as follows (in thousands):

	Americas	Europe	Total
Balance as of February 1, 2015	\$ 5,442	\$ 193,123	\$ 198,565
Goodwill acquired during the year	14,117	—	14,117
Foreign currency translation adjustment	—	(8,568)	(8,568)
Balance as of January 31, 2016	\$ 19,559	\$ 184,555	\$ 204,114

In conjunction with the Company's annual impairment testing, the Company's goodwill was tested for impairment as of January 31, 2016. The results of the testing indicated that the fair value of the Company's reporting units was greater than the carrying value. As a result, no goodwill impairment was recorded at January 31, 2016.

The Company's intangible assets consist of the following (in thousands):

	January 31, 2016			January 31, 2015		
	Gross carrying amount	Accumulated amortization	Net book value	Gross carrying amount	Accumulated amortization	Net book value
Capitalized software and development costs	\$ 308,926	\$ 256,145	\$ 52,781	\$ 307,759	\$ 250,987	\$ 56,772
Customer and vendor relationships	184,894	95,865	89,029	180,659	82,512	98,147
Preferred supplier agreement	26,930	14,613	12,317	28,276	11,032	17,244
Other intangible assets	15,748	10,489	5,259	12,553	7,962	4,591
Total	<u>\$ 536,498</u>	<u>\$ 377,112</u>	<u>\$ 159,386</u>	<u>\$ 529,247</u>	<u>\$ 352,493</u>	<u>\$ 176,754</u>

The Company capitalized intangible assets of \$29.2 million, \$10.4 million and \$19.0 million for the fiscal years ended January 31, 2016, 2015 and 2014, respectively. For fiscal 2016, these capitalized assets included acquired identifiable intangible assets (see also Note 5 - Acquisitions) and software and software development expenditures to be used in the Company's operations. For fiscal 2015 and 2014, these capitalized assets related primarily to software and software development expenditures to be used in the Company's operations and vendor relationships related to the Company's business acquisition during fiscal 2014 (see also Note 5 - Acquisitions).

Amortization expense for the fiscal years ended January 31, 2016, 2015 and 2014, totaled \$41.0 million, \$49.5 million and \$51.8 million, respectively. Estimated amortization expense of capitalized software and development costs and other intangible assets (which includes customer and vendor relationships, a preferred supplier agreement and other intangible assets) is as follows (in thousands):

Fiscal year:	Capitalized software and development costs	Other intangible assets	Total
2017	\$ 16,115	\$ 21,927	\$ 38,042
2018	13,187	19,985	33,172
2019	9,098	16,833	25,931
2020	5,609	12,293	17,902
2021	3,570	11,870	15,440

NOTE 5 — ACQUISITIONS

Acquisition of STG

On June 1, 2015, the Company completed the acquisition of Signature Technology Group, Inc. ("STG"), a provider of data center and professional services throughout North America, for a purchase price of \$27.8 million. The purchase price has been allocated to the estimated fair values of assets acquired and liabilities assumed, including tangible assets of approximately \$0.3 million, identifiable intangible assets of approximately \$14.5 million, goodwill of approximately \$14.1 million and liabilities of approximately \$1.1 million. Identifiable intangible assets are primarily related to customer relationships with an estimated useful life of ten years. Proforma information for the acquisition of STG has not been presented as the acquisition was not material to the Company's consolidated financial position or results of operations.

Acquisition of TDMobility

On November 1, 2013, the Company acquired Brightstar Corp.'s fifty percent ownership interest in TDMobility, a joint venture in the United States, for a cash purchase price of approximately \$2.1 million. The purchase price has been allocated to the estimated fair values of assets acquired and liabilities assumed, including tangible assets of approximately \$4.0 million, identifiable intangible assets of approximately \$4.2 million, goodwill of approximately \$2.5 million and liabilities of approximately \$6.7 million. Identifiable intangible assets are primarily related to vendor relationships and other intangible assets with estimated useful lives of five to ten years. Proforma information for the acquisition of TDMobility has not been presented as the acquisition was not material to the Company's consolidated financial position or results of operations.

NOTE 6 — LOSS ON DISPOSAL OF SUBSIDIARIES

During the fourth quarter of fiscal 2015, the Company committed to a plan to sell its business operations in Chile and Peru. The Company classified the assets and liabilities of these entities as held for sale at January 31, 2015. In March 2015, the Company also committed to a plan to exit its business operations in Uruguay. During fiscal 2016 and 2015, the Company incurred a loss of \$0.7 million and \$1.3 million, respectively, for charges related to the plan to exit its business operations in Uruguay and the loss on the sale of its business operations in Chile and Peru. The Company has completed the sale of its operations in Chile and Peru as well as the exit of

its operations in Uruguay. The operating results of these entities during fiscal 2016, 2015 and 2014 were insignificant relative to the Company's consolidated financial results. During the fourth quarter of fiscal 2015, the Company also recorded a \$5.6 million deferred tax liability related to undistributed earnings on assets held for sale in certain Latin American jurisdictions.

The Company did not have assets and liabilities classified as held for sale at January 31, 2016. The components of assets and liabilities held for sale at January 31, 2015 were as follows (in thousands):

	January 31, 2015	
Assets held for sale:		
Cash and cash equivalents	\$	4,247
Accounts receivable		42,674
Inventories		41,650
Prepaid expenses and other assets		8,820
Property and equipment, net		976
Other assets, net		3,339
Total assets held for sale	\$	101,706
Liabilities held for sale:		
Accounts payable	\$	39,816
Accrued expenses and other liabilities		2,931
Revolving credit loans and current maturities of long-term debt, net		28,639
Other long-term liabilities		61
Total liabilities held for sale	\$	71,447

NOTE 7 — DEBT

The carrying value of the Company's outstanding debt consists of the following (in thousands):

As of January 31:	2016	2015
Senior Notes, interest at 3.75% payable semi-annually, due September 21, 2017	\$ 350,000	\$ 350,000
Less—unamortized debt discount and debt issuance costs	(1,392)	(2,231)
Senior Notes, net	348,608	347,769
Capital leases	—	4,262
Other committed and uncommitted revolving credit facilities, average interest rate of 5.26% and 4.97% at January 31, 2016 and January 31, 2015, respectively	18,063	12,848
	366,671	364,879
Less—current maturities (included as “revolving credit loans and current maturities of long-term debt, net”)	(18,063)	(13,303)
Total long-term debt	\$ 348,608	\$ 351,576

Senior Notes

In September 2012, the Company issued \$350.0 million aggregate principal amount of 3.75% Senior Notes in a public offering (the “Senior Notes”), resulting in cash proceeds of approximately \$345.8 million, net of debt discount and debt issuance costs of approximately \$1.3 million and \$2.9 million, respectively. The debt discount and debt issuance costs incurred in connection with the public offering are amortized over the life of the Senior Notes as additional interest expense using the effective interest method. The Company pays interest on the Senior Notes semi-annually in arrears on March 21 and September 21 of each year, ending on the maturity date of September 21, 2017. The Company, at its option, may redeem the Senior Notes at any time in whole or in part, at a redemption price equal to the greater of (i) 100% of the principal amount of the Senior Notes to be redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the Senior Notes being redeemed, discounted at a rate equal to the sum of the applicable Treasury Rate plus 50 basis points, plus accrued and unpaid interest up to the date of redemption. The Senior Notes rank equal in right of payment to all of the Company's other senior unsecured indebtedness and senior in the right of payment to all of the Company's subordinated indebtedness.

Other Credit Facilities

The Company has a \$500.0 million revolving credit facility with a syndicate of banks (the “Credit Agreement”). The Credit Agreement was amended on November 5, 2015, which among other things, provides for (i) a maturity date of November 5, 2020, (ii) an interest rate on borrowings, facility fees and letter of credit fees based on the Company's non-credit enhanced senior unsecured debt rating as

determined by Standard & Poor's Rating Service and Moody's Investor Service, and (iii) the ability to increase the facility to a maximum of \$750.0 million , subject to certain conditions. The Company pays interest on advances under the Credit Agreement at LIBOR (or similar interbank offered rates depending on currency draw) plus a predetermined margin that is based on the Company's debt rating. There were no amounts outstanding under the Credit Agreement at January 31, 2016 and 2015 .

The Company also has an agreement with a syndicate of banks (the "Receivables Securitization Program") that allows the Company to transfer an undivided interest in a designated pool of U.S. accounts receivable, on an ongoing basis, to provide collateral for borrowings up to a maximum of \$400.0 million . Under this program, the Company transfers certain U.S. trade receivables into a wholly-owned bankruptcy remote special purpose entity. Such receivables, which are recorded in the Consolidated Balance Sheet, totaled \$721.1 million and \$594.9 million at January 31, 2016 and 2015 , respectively. As collections reduce accounts receivable balances included in the collateral pool, the Company may transfer interests in new receivables to bring the amount available to be borrowed up to the maximum. This program was renewed in August 2015, with a maturity date of November 16, 2017, and interest is to be paid on advances under the Receivables Securitization Program at the applicable commercial paper or LIBOR rate plus an agreed-upon margin. There were no amounts outstanding under the Receivables Securitization Program at January 31, 2016 and 2015 .

In addition to the facilities described above, the Company has various other committed and uncommitted lines of credit and overdraft facilities totaling approximately \$308.0 million at January 31, 2016 to support its operations. Most of these facilities are provided on an unsecured, short-term basis and are reviewed periodically for renewal. There was \$18.1 million outstanding on these facilities at January 31, 2016 , at a weighted average interest rate of 5.26% , and there was \$12.8 million outstanding at January 31, 2015 , at a weighted average interest rate of 4.97% .

At January 31, 2016 , the Company had also issued standby letters of credit of \$29.6 million . These letters of credit typically act as a guarantee of payment to certain third parties in accordance with specified terms and conditions. The issuance of these letters of credit reduces the Company's borrowing availability under certain of the above-mentioned credit facilities.

Certain of the Company's credit facilities contain limitations on the amounts of annual dividends and repurchases of common stock and require compliance with other obligations, warranties and covenants. The financial ratio covenants under these credit facilities include a maximum debt to capitalization ratio and a minimum interest coverage ratio. At January 31, 2016 , the Company was in compliance with all such financial covenants. In light of these financial covenants, the Company's maximum borrowing availability on these other credit facilities was restricted to \$845.9 million , of which \$18.1 million was outstanding at January 31, 2016 .

Future payments of debt at January 31, 2016 and for succeeding fiscal years are as follows (in thousands):

Fiscal year:	
2017	\$ 18,063
2018	350,000
Thereafter	—
Total principal payments	<u>\$ 368,063</u>

NOTE 8 — INCOME TAXES

Significant components of the provision for income taxes are as follows (in thousands):

Year ended January 31:	2016	2015	2014
Current:			
Federal	\$ 71,502	\$ 32,988	\$ 42,040
State	5,989	1,626	2,799
Foreign	36,804	29,733	33,022
Total current	<u>114,295</u>	<u>64,347</u>	<u>77,861</u>
Deferred:			
Federal	(3,984)	6,391	(785)
State	543	281	(79)
Foreign	5,828	(7,007)	(52,620)
Total deferred	<u>2,387</u>	<u>(335)</u>	<u>(53,484)</u>
	<u>\$ 116,682</u>	<u>\$ 64,012</u>	<u>\$ 24,377</u>

[Table of Contents](#)

The reconciliation of the U.S. federal statutory tax rate to the effective tax rate is as follows:

Year ended January 31:	2016	2015	2014
U.S. statutory rate	35.0 %	35.0 %	35.0 %
State income taxes, net of federal benefit	1.1	0.5	0.8
Net changes in deferred tax valuation allowances	0.0	(4.5)	(19.5)
Tax on foreign earnings different than U.S. rate	(7.4)	(11.8)	(11.7)
Nondeductible interest	1.6	4.0	6.4
Reserve established for foreign income tax contingencies	0.0	0.1	0.3
Effect of company-owned life insurance	0.2	(0.4)	(0.6)
Undistributed earnings on foreign assets held for sale	0.0	2.4	0.0
Other, net	0.0	1.5	1.2
	<u>30.5 %</u>	<u>26.8 %</u>	<u>11.9 %</u>

In fiscal 2015 and 2014, the Company recorded income tax benefits of \$19.2 million and \$45.3 million, respectively, for the reversal of deferred tax valuation allowances primarily related to specific European jurisdictions which had been recorded in prior fiscal years. During fiscal 2015, the Company recorded a \$5.6 million deferred tax liability related to undistributed earnings on assets held for sale in certain Latin American jurisdictions (see further discussion in Note 6 - Loss on Disposal of Subsidiaries).

The components of pretax income are as follows (in thousands):

Year ended January 31:	2016	2015	2014
United States	\$ 195,219	\$ 100,166	\$ 124,134
Foreign	187,199	139,018	80,175
	<u>\$ 382,418</u>	<u>\$ 239,184</u>	<u>\$ 204,309</u>

The significant components of the Company's deferred tax liabilities and assets are as follows (in thousands):

As of January 31:	2016	2015
Deferred tax liabilities:		
Depreciation and amortization	\$ 53,939	\$ 60,235
Capitalized marketing program costs	6,547	5,420
Goodwill	8,545	6,050
Deferred costs currently deductible	5,415	7,605
Undistributed earnings on foreign assets held for sale	—	5,598
Other, net	5,938	7,796
Total deferred tax liabilities	<u>80,384</u>	<u>92,704</u>
Deferred tax assets:		
Accrued liabilities	42,071	47,083
Loss carryforwards	103,647	96,199
Amortizable goodwill	5,315	7,930
Depreciation and amortization	6,502	7,132
Disallowed interest expense	5,140	31,898
Other, net	9,659	10,359
	<u>172,334</u>	<u>200,601</u>
Less: valuation allowances	(60,165)	(71,499)
Total deferred tax assets	<u>112,169</u>	<u>129,102</u>
Net deferred tax asset	<u>\$ 31,785</u>	<u>\$ 36,398</u>

The net change in the deferred tax valuation allowances in fiscal 2016 was a decrease of \$11.3 million primarily due to the impact of the translation of foreign currencies and the utilization of deferred tax assets subject to valuation allowances. The net change in the deferred tax valuation allowances in fiscal 2015 was a decrease of \$29.8 million primarily resulting from the \$19.2 million reversal of deferred tax valuation allowances primarily related to certain European jurisdictions as discussed previously, as well as changes from the translation of foreign currencies.

[Table of Contents](#)

The valuation allowances at both January 31, 2016 and 2015 primarily relate to foreign net operating loss carryforwards. The Company's net operating loss carryforwards totaled \$482.3 million and \$475.6 million at January 31, 2016 and 2015, respectively. The majority of the net operating losses have an indefinite carryforward period with the remaining portion expiring in fiscal years 2017 through 2034. The Company considers all positive and negative evidence available in determining the potential of realizing deferred tax assets. To the extent that the Company generates consistent taxable income within those operations with valuation allowances, the Company may reduce the valuation allowances, thereby reducing the income tax expense and increasing net income in the period the determination is made.

The estimates and assumptions used by the Company in computing the income taxes reflected in the Company's consolidated financial statements could differ from the actual results reflected in the income tax returns filed during the subsequent year. Adjustments are recorded based on filed returns when such returns are finalized or the related adjustments are identified.

At January 31, 2016, there are \$641.8 million of consolidated cumulative undistributed earnings of foreign subsidiaries for which no deferred taxes have been recorded. It is not practical to estimate the amount of unrecognized deferred U.S. income tax that might be payable if any earnings were to be distributed by individual foreign subsidiaries.

A reconciliation of the beginning and ending balances of the total amount of gross unrecognized tax benefits, excluding accrued interest and penalties, for the years ended January 31, 2016, 2015 and 2014 is as follows (in thousands):

Gross unrecognized tax benefits at January 31, 2013	\$	5,599
Increases in tax positions for prior years		1,956
Decreases in tax positions for prior years		(420)
Increases in tax positions for current year		93
Expiration of statutes of limitation		(77)
Settlements		(1,295)
Changes due to translation of foreign currencies		3
Gross unrecognized tax benefits at January 31, 2014		5,859
Increases in tax positions for prior years		845
Decreases in tax positions for prior years		(730)
Increases in tax positions for current year		105
Expiration of statutes of limitation		(63)
Changes due to translation of foreign currencies		(891)
Gross unrecognized tax benefits at January 31, 2015		5,125
Increases in tax positions for prior years		8,443
Decreases in tax positions for prior years		(348)
Increases in tax positions for current year		106
Expiration of statutes of limitation		(77)
Settlements		(104)
Changes due to translation of foreign currencies		(156)
Gross unrecognized tax benefits at January 31, 2016	\$	12,989

At January 31, 2016, 2015 and 2014, the amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate was \$10.1 million, \$5.1 million and \$5.4 million, respectively.

Unrecognized tax benefits that have a reasonable possibility of significantly decreasing within the 12 months following January 31, 2016 totaled \$2.6 million and were primarily related to the foreign taxation of certain transactions. Consistent with prior periods, the Company recognizes interest and penalties related to unrecognized tax benefits in the provision for income taxes. The Company's accrued interest at January 31, 2016, would not have a material impact on the effective tax rate if reversed. The provision for income taxes for each of the fiscal years ended January 31, 2016, 2015 and 2014 includes interest expense on unrecognized income tax benefits for current and prior years which is not significant to the Company's Consolidated Statement of Income. The change in the balance of accrued interest for fiscal 2016, 2015 and 2014, includes the current year end accrual, an interest benefit resulting from the expiration of statutes of limitation, and the translation adjustments on foreign currencies.

The Company conducts business primarily in the Americas and Europe and, as a result, one or more of its subsidiaries files income tax returns in the U.S. federal, various state, local and foreign tax jurisdictions. In the normal course of business, the Company is subject to examination by taxing authorities. The Company is no longer subject to examinations by the Internal Revenue Service for years before fiscal 2012. Income tax returns of various foreign jurisdictions for fiscal 2006 and forward are currently under taxing authority examination or remain subject to audit.

NOTE 9 — EMPLOYEE BENEFIT PLANS*Overview of Equity Incentive Plans*

At January 31, 2016, the Company had awards outstanding from two equity-based compensation plans, only one of which is currently active. The active plan was approved by the Company's shareholders in June 2009 and includes 4.0 million shares available for grant, of which approximately 2.4 million shares remain available for future grant at January 31, 2016. Under the active plan, the Company is authorized to award officers, employees, and non-employee members of the Board of Directors restricted stock, options to purchase common stock, maximum value stock-settled stock appreciation rights ("MV Stock-settled SARs"), maximum value options ("MVOs"), and performance awards that are dependent upon achievement of specified performance goals. Equity-based compensation awards are used by the Company to attract talent and as a retention mechanism for the award recipients and have a maximum term of ten years, unless a shorter period is specified by the Compensation Committee of the Company's Board of Directors ("Compensation Committee") or is required under local law. Awards under the plans are priced as determined by the Compensation Committee and under the terms of the Company's active equity-based compensation plan are required to be priced at, or above, the fair market value of the Company's common stock on the date of grant. Awards generally vest between one and three years from the date of grant.

For the fiscal years ended January 31, 2016, 2015 and 2014, the Company recorded \$14.9 million, \$13.7 million and \$8.9 million, respectively, of stock-based compensation expense, and related income tax benefits of \$4.6 million, \$4.2 million and \$2.9 million, respectively. Cash received from equity-based incentives exercised during the fiscal years ended January 31, 2016, 2015 and 2014 was \$0.6 million, \$1.5 million and \$1.1 million, respectively, and the actual benefit received from the tax deduction from the exercise of equity-based incentives was \$5.2 million, \$5.2 million and \$5.5 million for the fiscal years ended January 31, 2016, 2015 and 2014, respectively.

Restricted Stock

The Company's restricted stock awards are primarily in the form of restricted stock units ("RSUs") and typically vest in annual installments lasting between one and three years from the date of grant, unless a different vesting schedule is mandated by country law. All of the RSUs have a fair market value equal to the closing price of the Company's common stock on the date of grant. Stock-based compensation expense includes \$14.8 million, \$13.6 million and \$8.7 million related to RSUs during fiscal 2016, 2015 and 2014, respectively.

A summary of the status of the Company's RSU activity for the fiscal year ended January 31, 2016 is as follows:

	Shares	Weighted-average grant date fair value
Nonvested at January 31, 2015	547,689	\$ 59.45
Granted	275,539	59.30
Vested	(265,837)	57.84
Canceled	(61,062)	59.40
Nonvested at January 31, 2016	<u>496,329</u>	<u>60.28</u>

The total fair value of RSUs which vested during the fiscal years ended January 31, 2016, 2015 and 2014 is \$15.4 million, \$8.1 million and \$12.9 million, respectively. The weighted-average estimated fair value of the 455,806 RSU's granted during the fiscal year ended January 31, 2015 was \$61.06 per share. There were no shares granted during the fiscal year ended January 31, 2014. As of January 31, 2016, the unrecognized stock-based compensation expense related to non-vested RSUs was \$16.6 million, which the Company expects to be recognized over the next three years (over a remaining weighted average period of two years).

MV Stock-settled SARs, MVOs and Stock Options

MV Stock-settled SARs and MVOs are similar to traditional stock options, except these instruments contain a predetermined cap on the maximum earnings potential a recipient can expect to receive upon exercise. In addition, upon exercise, holders of an MV Stock-settled SAR will receive shares with a value equal to the spread (the difference between the current market price per share of the Company's common stock subject to the predetermined cap and the grant price). The grant price of the MV Stock-settled SARs and MVOs is determined using the last sale price of the Company's common stock as quoted on the NASDAQ Stock Market, Inc. on the date of grant (or such higher price as may be required by applicable laws and regulations of specific foreign jurisdictions). MV Stock-settled SARs, MVOs and stock options generally vest between one and three years from the date of grant and have a contractual term of ten years.

A summary of the status of the Company's MV Stock-settled SARs, MVOs and stock options activity for the fiscal year ended January 31, 2016 is as follows:

	Shares	Weighted-average exercise price	Weighted-average remaining contractual term (in years)	Aggregate intrinsic value (in thousands)
Outstanding at January 31, 2015	42,110	\$ 33.97		
Exercised	9,700	37.04		
Outstanding at January 31, 2016	<u>32,410</u>	33.06	2.7	\$ 951

All outstanding SARs, MVOs and stock options were vested and exercisable at January 31, 2016. Stock-based compensation expense of MV Stock-settled SARs, MVOs and stock options was insignificant during fiscal 2016, 2015 and 2014 .

The aggregate intrinsic value in the table above represents the difference between the closing price of the Company's common stock on January 31, 2016 and the grant price for all "in-the-money" equity-based awards at January 31, 2016 . The intrinsic value of the equity-based awards changes based on the fair market value of the Company's common stock. The intrinsic value of the MV Stock-settled SARs, MVO and stock option awards exercised during the fiscal years ended January 31, 2016, 2015 and 2014 was \$0.2 million , \$5.8 million and \$3.3 million , respectively. As of January 31, 2016 , there was no unrecognized compensation cost related to MV Stock-settled SARs, MVOs and stock options. The total fair value of MV Stock-settled SARs, MVOs and stock options which vested during the fiscal years ended January 31, 2016 and 2015 was insignificant and was \$1.0 million during the fiscal year ended January 31, 2014 .

A summary of the status of the Company's stock-based equity incentives outstanding, representing MV Stock-settled SARs, MVOs and stock options, at January 31, 2016 , is as follows:

Exercise prices	Outstanding			Exercisable	
	Number outstanding at 1/31/16	Weighted-average remaining contractual life (years)	Weighted-average exercise price	Number exercisable at 1/31/16	Weighted-average exercise price
\$21.13	14,774	3.1	\$ 21.13	14,774	\$ 21.13
\$37.04	11,400	0.2	37.04	11,400	37.04
\$54.03	6,236	6.1	54.03	6,236	54.03
	<u>32,410</u>	2.7	33.06	<u>32,410</u>	33.06

The Company's policy is to utilize shares of its treasury stock, to the extent available, to satisfy its obligation to issue shares upon the exercise of awards (see further discussion of the Company's share repurchase program in Note 10 – Shareholders' Equity below).

Employee Stock Purchase Plan

Under the 1995 Employee Stock Purchase Plan (the "ESPP"), the Company is authorized to issue up to 1,000,000 shares of common stock to eligible employees in the Company's U.S. and Canadian subsidiaries. Under the terms of the ESPP, employees can choose to have a fixed dollar amount or percentage deducted from their bi-weekly compensation to purchase the Company's common stock and/or elect to purchase shares once per calendar quarter. The purchase price of the stock is 85% of the market value on the purchase date and employees are limited to a maximum purchase of \$25,000 in fair market value each calendar year. From the inception of the ESPP through January 31, 2016 , the Company has issued 501,560 shares of common stock to the ESPP. All shares purchased under the ESPP must be held by the employees for a period of one year. Stock-based compensation expense related to the ESPP was insignificant during fiscal 2016, 2015 and 2014 .

Retirement Savings Plan

The Company sponsors the Tech Data Corporation 401(k) Savings Plan (the "401(k) Savings Plan") for its U.S. employees. At the Company's discretion, participant deferrals are matched in cash, in an amount equal to 50% of the first 6% of participant deferrals and participants are fully vested following four years of qualified service. Aggregate contributions made by the Company to the 401(k) Savings Plan were \$2.8 million , \$0.1 million , and \$0.7 million for fiscal 2016, 2015 and 2014 , respectively. The Company suspended the employer match for the 401(k) Savings Plan for a portion of fiscal 2014 and 2015. The employer match for the 401(k) Saving Plan was reinstated for fiscal 2016.

NOTE 10 — SHAREHOLDERS' EQUITY

During fiscal 2015, the Company's Board of Directors authorized a share repurchase program for the repurchase of up to a total of \$100.0 million of the Company's common stock. During the first quarter of fiscal 2016, the Company completed this share repurchase program. Additionally, in June 2015, the Company's Board of Directors authorized an additional share repurchase program of up to \$100.0 million of the Company's common stock. The Company completed this share repurchase program in fiscal 2016.

The Company's common share repurchase and issuance activity for fiscal 2016 and 2015 is summarized as follows:

	Shares	Weighted- average price per share
Treasury stock balance at January 31, 2014	21,177,130	\$ 42.26
Shares of common stock repurchased under share repurchase program	896,718	59.10
Shares of treasury stock reissued	(207,779)	
Treasury stock balance at January 31, 2015	21,866,069	42.95
Shares of common stock repurchased under share repurchase program	2,497,029	58.87
Shares of treasury stock reissued	(199,696)	
Treasury stock balance at January 31, 2016	24,163,402	\$ 44.59

NOTE 11 — FAIR VALUE MEASUREMENTS

The Company's assets and liabilities carried or disclosed at fair value are classified in one of the following three categories: Level 1 – quoted market prices in active markets for identical assets and liabilities; Level 2 – inputs other than quoted market prices included in Level 1 above that are observable for the asset or liability, either directly or indirectly; and, Level 3 – unobservable inputs for the asset or liability. The classification of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following table summarizes the valuation of the Company's assets and liabilities that are measured at fair value on a recurring basis:

	January 31, 2016			January 31, 2015		
	Fair value measurement category			Fair value measurement category		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	(in thousands)					
Assets						
Foreign currency forward contracts	\$	3,412		\$	9,903	
Liabilities						
Foreign currency forward contracts	\$	2,274		\$	5,411	
Acquisition-related contingent consideration			\$ —			\$ 3,381

The Company's foreign currency forward contracts are measured on a recurring basis based on foreign currency spot rates and forward rates quoted by banks or foreign currency dealers (Level 2 criteria) and are marked-to-market each period with gains and losses on these contracts recorded in the Company's Consolidated Statement of Income on a basis consistent with the classification of the change in the fair value of the underlying transactions giving rise to these foreign currency exchange gains and losses in the period in which their value changes, with the offsetting amount for unsettled positions being included in either "prepaid expenses and other assets" or "accrued expenses and other liabilities" in the Consolidated Balance Sheet. See further discussion below in Note 12 – Derivative Instruments.

The acquisition-related contingent consideration represents the future earnout payments related to the Company's acquisitions. The Company estimates the fair value of this Level 3 contingent consideration liability at each reporting date using a discounted cash flow analysis, which requires the evaluation of significant unobservable inputs that include projected revenues, expenses and cash flows, and assumed discount rates. There are no remaining acquisition-related contingent consideration liabilities as of January 31, 2016 as all amounts were paid during fiscal 2016.

The Company utilizes life insurance policies to fund the Company's nonqualified deferred compensation plan. The life insurance asset, which is recorded in the Company's Consolidated Balance Sheet in "other assets, net", is the amount that would be realized upon the assumed surrender of the policy. This amount is based on the underlying fair value of the invested assets contained within the life insurance policies. The gains and losses are recorded in the Company's Consolidated Statement of Income within "other expense (income), net." The related deferred compensation liability, which is recorded in the Company's Consolidated Balance Sheet in "accrued expenses and other liabilities", is also marked-to-market each period based upon the returns of the various investments selected by the plan participants and the gains and losses are recorded in the Company's Consolidated Statement of Income within "selling, general and administrative expenses." The net realizable value of the Company's life insurance investments and related deferred compensation liability at January 31, 2016 is \$30.2 million and \$30.5 million, respectively.

The \$350.0 million of Senior Notes discussed in Note 7 - Debt, are carried at an amount of \$348.6 million at January 31, 2016, which represents cost less unamortized debt discount and debt issuance costs. The estimated fair value of the Senior Notes was approximately \$359.6 million at January 31, 2016, based upon quoted market information (Level 1 criteria).

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate fair value because of the short maturity of these items. The carrying amount of debt outstanding pursuant to revolving credit facilities and loans payable approximates fair value as the majority of these instruments have variable interest rates which approximate current market rates (Level 2 criteria).

The carrying amounts of assets held for sale (Level 3) at January 31, 2015 were written-down to their fair value of \$101.7 million. The resulting impairment charge of \$1.3 million is recorded in "loss on disposal of subsidiaries" in the Company's Consolidated Statement of Income. The carrying value of liabilities held for sale approximated the fair value as of January 31, 2015. The fair value measurement used to determine the impairment was based upon the expected business sales price (see Note 6 - Loss on Disposal of Subsidiaries). There were no material non-recurring fair value remeasurements at January 31, 2016.

NOTE 12 — DERIVATIVE INSTRUMENTS

In the ordinary course of business, the Company is exposed to movements in foreign currency exchange rates. The Company's foreign currency risk management objective is to protect earnings and cash flows from the impact of exchange rate changes primarily through the use of foreign currency forward contracts to hedge both intercompany and third party loans, accounts receivable and accounts payable. These derivatives are not designated as hedging instruments.

The Company's foreign currency exposure relates primarily to international transactions in Europe, Canada and Latin America, where the currency collected from customers can be different from the currency used to purchase the product. The Company's transactions in its foreign operations are denominated primarily in the following currencies: U.S. dollar, British pound, Canadian dollar, Czech koruna, Danish krone, euro, Norwegian krone, Polish zloty, Swedish krona and Swiss franc.

The Company considers inventory as an economic hedge against foreign currency exposure in accounts payable in certain circumstances. This practice offsets such inventory against corresponding accounts payable denominated in currencies other than the functional currency of the subsidiary buying the inventory, when determining the net exposure to be hedged using traditional forward contracts. Under this strategy, the Company would expect to increase or decrease selling prices for products purchased in foreign currencies based on fluctuations in foreign currency exchange rates affecting the underlying accounts payable. To the extent the Company incurs a foreign currency exchange loss (gain) on the underlying accounts payable denominated in the foreign currency, a corresponding increase (decrease) in gross profit would be expected as the related inventory is sold. This strategy can result in a certain degree of quarterly earnings volatility as the underlying accounts payable is remeasured using the foreign currency exchange rate prevailing at the end of each period, or settlement date if earlier, whereas the corresponding increase (decrease) in gross profit is not realized until the related inventory is sold.

The Company recognizes foreign currency exchange gains and losses on its derivative instruments used to manage its exposures to foreign currency denominated accounts receivable and accounts payable as a component of "cost of products sold" which is consistent with the classification of the change in fair value upon remeasurement of the underlying hedged accounts receivable or accounts payable. The Company recognizes foreign currency exchange gains and losses on its derivative instruments used to manage its exposures to foreign currency denominated financing transactions as a component of "other expense (income), net" which is consistent with the classification of the change in fair value upon remeasurement of the underlying hedged intercompany loans. The total amount recognized in earnings on the Company's foreign currency forward contracts, which depending upon the nature of the underlying hedged asset or liability is included as a component of either "cost of products sold" or "other expense (income), net," was a net foreign currency exchange gain of \$9.0 million, \$18.8 million and \$17.2 million, respectively, for the fiscal years ended January 31, 2016, 2015 and 2014. The gains and losses on the Company's foreign currency forward contracts are largely offset by the change in the fair value of the underlying hedged assets or liabilities.

The notional amount of forward exchange contracts is the amount of foreign currency to be bought or sold at maturity. Notional amounts are indicative of the extent of the Company's involvement in the various types and uses of derivative financial instruments and are not a measure of the Company's exposure to credit or market risks through its use of derivatives. The estimated fair value of derivative financial instruments represents the amount required to enter into similar offsetting contracts with similar remaining maturities based on quoted market prices.

The Company's foreign currency forward contracts are also discussed in Note 11 – Fair Value Measurements.

The Company's average notional amounts of derivative financial instruments outstanding during the fiscal years ended January 31, 2016 and 2015 are approximately \$0.6 billion and \$0.7 billion, respectively, with average maturities of 30 days and 32 days, respectively. As discussed above, under the Company's hedging policies, gains and losses on the derivative financial instruments have been and would be expected to continue to be largely offset by the gains and losses on the underlying assets or liabilities being hedged.

NOTE 13 — COMMITMENTS AND CONTINGENCIES*Operating Leases*

The Company leases logistics centers, office facilities and certain equipment under non-cancelable operating leases, which expire at various dates through fiscal 2030. Fair value renewal and escalation clauses exist for a substantial portion of the operating leases. Rental expense for all operating leases, including minimum commitments under IT outsourcing agreements, totaled \$45.3 million, \$52.8 million and \$55.5 million in fiscal years 2016, 2015 and 2014, respectively. Future minimum lease payments at January 31, 2016, under all such leases, including minimum commitments under an agreement for data center services, for succeeding fiscal years and thereafter are as follows (in thousands):

Fiscal year:		
2017	\$	46,600
2018		42,700
2019		34,800
2020		30,200
2021		27,200
Thereafter		22,800
Total payments	\$	204,300

Synthetic Lease Facility

The Company has a synthetic lease facility with a group of financial institutions (the "Synthetic Lease") under which the Company leases certain logistics centers and office facilities from a third-party lessor, that expires in June 2018. Properties leased under the Synthetic Lease are located in Clearwater and Miami, Florida; Fort Worth, Texas; Fontana, California; Suwanee, Georgia; Swedesboro, New Jersey; and South Bend, Indiana. The Synthetic Lease is accounted for as an operating lease and rental payments are calculated at the applicable LIBOR rate plus a margin based on the Company's credit ratings.

Upon not less than 30 days notice, the Company, at its option, may purchase one or any combination of the properties, at an amount equal to each of the property's cost, as long as the lease balance does not decrease below a defined amount. Upon not less than 270 days, nor more than 360 days, prior to the lease expiration, the Company may, at its option, (i) purchase a minimum of two of the properties, at an amount equal to each of the property's cost, (ii) exercise the option to renew the lease for a minimum of two of the properties or (iii) exercise the option to remarket a minimum of two of the properties and cause a sale of the properties. If the Company elects to remarket the properties, the Company has guaranteed the lessor a percentage of the cost of each property, in the aggregate amount of approximately \$133.8 million. Future minimum lease payments under the Synthetic Lease are approximately \$3.0 million per year.

The Synthetic Lease contains covenants that must be complied with, similar to the covenants described in certain of the credit facilities discussed in Note 7 - Debt. As of January 31, 2016, the Company was in compliance with all such covenants.

Contingencies

Prior to fiscal 2004, one of the Company's subsidiaries, located in Spain, was audited in relation to various value added tax ("VAT") matters. As a result of those audits, the Spanish subsidiary received notices of assessment from the Regional Inspection Unit of Spain's taxing authority that allege the subsidiary did not properly collect and remit VAT. The Spanish subsidiary appealed these assessments to the Madrid Central Economic Administrative Courts beginning in March 2010. Following the administrative court proceedings the matter was appealed to the Spanish National Appellate Court. During 2013, the Spanish National Appellate Court issued an opinion upholding the assessment for several of the assessed years. During fiscal 2015, the Madrid Central Economic Administrative Court issued a decision revoking the penalties for certain of the assessed years. As a result of this decision, during the fiscal year ended January 31, 2015 the Company decreased its accrual for costs associated with this matter by \$6.2 million, which is recorded in "value added tax assessments" in the Consolidated Statement of Income. During fiscal 2016, the Spanish Supreme Court issued final decisions which barred the assessments for several of the assessed years. As a result of these decisions, during fiscal 2016, the Company decreased its accrual for costs associated with this matter by \$25.4 million, including \$16.4 million related to an accrual for assessments and penalties recorded in "value added tax assessments" and \$9.0 million related to accrued interest recorded in "interest expense" in the Consolidated Statement of Income. Additionally, as a result of these decisions, the Company paid certain assessed amounts of \$12.3 million during fiscal 2016. The Company believes that the Spanish subsidiary's defense to the remaining assessments has solid legal grounds and is continuing to vigorously defend its position by appealing to the Spanish National Appellate Court. The Company estimates the total exposure for these assessments including various penalties and interest, was approximately \$4.6 million and \$43.7 million at January 31, 2016 and 2015, respectively, which is included in "accrued expenses and other liabilities" in the Consolidated Balance Sheet.

In December 2010, in a non-unanimous decision, a Brazilian appellate court overturned a 2003 trial court which had previously ruled in favor of the Company's Brazilian subsidiary related to the imposition of certain taxes on payments abroad related to the licensing of commercial software products, commonly referred to as "CIDE tax." The Company estimates the total exposure related to CIDE tax, including interest, was approximately \$17.3 million and \$24.6 million at January 31, 2016 and 2015, respectively. The Brazilian subsidiary has appealed the unfavorable ruling to the Supreme Court and Superior Court, Brazil's two highest appellate courts. Based on the legal opinion of outside counsel, the Company believes that the chances of success on appeal of this matter are favorable and the Brazilian subsidiary intends to vigorously defend its position that the CIDE tax is not due. However, due to the lack of predictability of the Brazilian court system, the Company has concluded that it is reasonably possible that the Brazilian subsidiary may incur a loss up to the total exposure described above. The Company believes the resolution of this litigation will not be material to the Company's consolidated net assets or liquidity.

In addition to the CIDE tax matter discussed above, the Company's Brazilian subsidiary has been undergoing several examinations of non-income related taxes. Given the lack of predictability of the Brazilian tax system, the Company believes that it is reasonably possible that a loss may have been incurred. However, due to the complex nature of the Brazilian tax system and the absence of communication from the local tax authorities regarding these examinations, the Company is currently unable to determine the likelihood of these examinations resulting in assessments or to estimate the amount of loss, if any, that may be reasonably possible if such assessment were to be made.

In fiscal 2016, the Company determined that it had additional VAT liabilities due in one of its European subsidiaries. As a result, the Company recorded a charge of \$7.6 million in "value added tax assessments" in the Consolidated Statement of Income during the year ended January 31, 2016 for VAT and associated costs. The Company has paid all VAT associated with this matter and filed amended tax returns with the tax authorities.

The Company is subject to various other legal proceedings and claims arising in the ordinary course of business. The Company's management does not expect that the outcome in any of these other legal proceedings, individually or collectively, will have a material adverse effect on the Company's financial condition, results of operations, or cash flows.

Guarantees

As is customary in the technology industry, to encourage certain customers to purchase products from Tech Data, the Company has arrangements with certain finance companies that provide inventory financing facilities to the Company's customers. In conjunction with certain of these arrangements, the Company would be required to purchase certain inventory in the event the inventory is repossessed from the customers by the finance companies. As the Company does not have access to information regarding the amount of inventory purchased from the Company still on hand with the customer at any point in time, the Company's repurchase obligations relating to inventory cannot be reasonably estimated. Repurchases of inventory by the Company under these arrangements have been insignificant to date. The Company believes that, based on historical experience, the likelihood of a material loss pursuant to these inventory repurchase obligations is remote.

The Company provides additional financial guarantees to finance companies on behalf of certain customers. The majority of these guarantees are for an indefinite period of time, where the Company would be required to perform if the customer is in default with the finance company related to purchases made from the Company. The Company reviews the underlying credit for these guarantees on at least an annual basis. As of January 31, 2016 and 2015, the outstanding amount of guarantees under these arrangements totaled \$4.6 million and \$5.5 million, respectively. The Company believes that, based on historical experience, the likelihood of a material loss pursuant to the above guarantees is remote.

NOTE 14 — SEGMENT INFORMATION

Tech Data operates predominately in a single industry segment as a distributor of technology products, logistics management, and other value-added services. While the Company operates primarily in one industry, it is managed based on geographic segments: the Americas and Europe. The Company assesses performance of and makes decisions on how to allocate resources to its operating segments based on multiple factors including current and projected operating income and market opportunities. The Company does not consider stock-based compensation expense in assessing the performance of its operating segments, and therefore the Company is reporting stock-based compensation expense as a separate amount. The accounting policies of the segments are the same as those described in Note 1 - Business and Summary of Significant Accounting Policies.

[Table of Contents](#)

Financial information by geographic segment is as follows (in thousands):

Year ended January 31:	2016	2015	2014
Net sales to unaffiliated customers:			
Americas ⁽¹⁾	\$ 10,356,716	\$ 10,406,209	\$ 10,188,618
Europe	16,023,067	17,264,423	16,633,286
Total	<u>\$ 26,379,783</u>	<u>\$ 27,670,632</u>	<u>\$ 26,821,904</u>
Operating income:			
Americas ^{(2) (3) (4)}	\$ 235,577	\$ 145,107	\$ 156,143
Europe ^{(5) (6) (7)}	180,741	136,196	80,228
Stock-based compensation expense	(14,890)	(13,668)	(8,858)
Total	<u>\$ 401,428</u>	<u>\$ 267,635</u>	<u>\$ 227,513</u>
Depreciation and amortization:			
Americas	\$ 18,243	\$ 16,653	\$ 16,763
Europe	39,010	52,093	56,216
Total	<u>\$ 57,253</u>	<u>\$ 68,746</u>	<u>\$ 72,979</u>
Capital expenditures:			
Americas	\$ 18,139	\$ 13,798	\$ 9,530
Europe	15,833	14,377	19,339
Total	<u>\$ 33,972</u>	<u>\$ 28,175</u>	<u>\$ 28,869</u>
As of January 31:			
Identifiable assets:			
Americas	\$ 2,078,443	\$ 1,949,414	
Europe	4,279,845	4,187,311	
Total	<u>\$ 6,358,288</u>	<u>\$ 6,136,725</u>	
Long-lived assets:			
Americas ⁽¹⁾	\$ 29,402	\$ 24,121	
Europe	36,626	38,983	
Total	<u>\$ 66,028</u>	<u>\$ 63,104</u>	
Goodwill & acquisition-related intangible assets, net:			
Americas	\$ 35,615	\$ 8,810	
Europe	274,401	309,158	
Total	<u>\$ 310,016</u>	<u>\$ 317,968</u>	

(1) Net sales to unaffiliated customers in the United States represented 90% , 85% and 86% of the total Americas' net sales to unaffiliated customers for the fiscal years ended January 31, 2016, 2015 and 2014 , respectively. Total long-lived assets in the United States represented 95% and 92% of the Americas' total long-lived assets at January 31, 2016 and 2015 , respectively.

(2) Operating income in the Americas for the fiscal year ended January 31, 2016 includes a gain related to LCD settlements, net, of \$98.4 million (see further discussion in Note 1 - Business and Summary of Significant Accounting Policies).

(3) Operating income in the Americas for the fiscal year ended January 31, 2015 includes a gain related to LCD settlements, net, of \$5.1 million and restatement and remediation related expenses of \$4.0 million (see Note 1 - Business and Summary of Significant Accounting Policies).

(4) Operating income in the Americas for the fiscal year ended January 31, 2014 includes a gain associated with LCD settlements, net, of \$35.5 million and restatement and remediation related expenses of \$13.2 million (see Note 1 - Business and Summary of Significant Accounting Policies).

(5) Operating income in Europe for the fiscal year ended January 31, 2016 includes a net benefit of \$8.8 million related to various VAT matters in two European subsidiaries (see further discussion in Note 13 - Commitments & Contingencies).

(6) Operating income in Europe for the fiscal year ended January 31, 2015 includes restatement and remediation related expenses of \$18.1 million (see further discussion in Note 1 - Business and Summary of Significant Accounting Policies) and a decrease in the accrual for value added tax matters in the Company's Spanish subsidiary of \$6.2 million (see Note 13 - Commitments and Contingencies).

(7) Operating income in Europe for the fiscal year ended January 31, 2014 includes \$40.6 million of restatement and remediation related expenses (see Note 1 - Business and Summary of Significant Accounting Policies).

NOTE 15 — INTERIM FINANCIAL INFORMATION (UNAUDITED)

Interim financial information for fiscal years 2016 and 2015 is as follows (in thousands, except per share amounts):

Fiscal year 2016:

Quarter ended:	April 30 ⁽¹⁾	July 31 ⁽¹⁾⁽²⁾	October 31 ⁽¹⁾	January 31 ⁽¹⁾⁽²⁾
Net sales	\$ 5,887,229	\$ 6,580,393	\$ 6,428,540	\$ 7,483,621
Gross profit	291,889	325,279	314,844	354,649
Operating income	81,938	106,235	68,053	145,202
Net income	\$ 51,277	\$ 76,412	\$ 41,900	\$ 96,147

Net income per share:

Basic	\$ 1.39	\$ 2.09	\$ 1.19	\$ 2.74
Diluted	\$ 1.38	\$ 2.09	\$ 1.18	\$ 2.72

Fiscal year 2015:

Quarter ended:	April 30 ⁽³⁾	July 31 ⁽³⁾⁽⁴⁾	October 31 ⁽³⁾⁽⁵⁾	January 31 ⁽³⁾⁽⁶⁾
Net sales	\$ 6,728,151	\$ 6,841,809	\$ 6,761,181	\$ 7,339,491
Gross profit	335,328	351,372	334,985	372,269
Operating income	31,496	67,710	66,745	101,684
Net income	\$ 13,467	\$ 39,328	\$ 41,700	\$ 80,677

Net income per share:

Basic	\$ 0.35	\$ 1.03	\$ 1.09	\$ 2.12
Diluted	\$ 0.35	\$ 1.03	\$ 1.09	\$ 2.11

- (1) During the first, second, third and fourth quarters of fiscal 2016, the Company recorded a gain of \$38.5 million, \$21.5 million, \$3.0 million and \$35.4 million related to LCD Settlements, net, respectively (see further discussion in Note 1 - Business and Summary of Significant Accounting Policies).
- (2) The Company recorded a net benefit of \$9.6 million in the second quarter and an expense of \$0.8 million in the fourth quarter of fiscal 2016 related to various VAT matters in two European subsidiaries (see further discussion in Note 13 - Commitments & Contingencies).
- (3) During the first, second, third and fourth quarters of fiscal 2015, the Company recorded \$12.2 million, \$5.4 million, \$2.1 million and \$2.3 million of restatement and remediation related expenses, respectively (see further discussion in Note 1 - Business and Summary of Significant Accounting Policies).
- (4) During the second quarter of fiscal 2015, the Company decreased its accrual for value added tax matters in its Spanish subsidiary by \$6.2 million (see further discussion in Note 13 - Commitments and Contingencies).
- (5) During the third quarter of fiscal 2015, the Company recorded a gain of \$5.1 million associated with LCD Settlements, net (see further discussion in Note 1 - Business and Summary of Significant Accounting Policies).
- (6) During the fourth quarter of fiscal 2015, the Company recorded income tax benefits of \$19.2 million primarily related to the reversal of deferred tax valuation allowances in certain jurisdictions in Europe, partially offset by income tax expenses of \$5.6 million related to undistributed earnings on assets held for sale in certain Latin American jurisdictions (see further discussion in Note 8 - Income Taxes).

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

ITEM 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures designed to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the specified time periods. Tech Data's management, with the participation of the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of January 31, 2016. Based on this evaluation, the Company's CEO and CFO concluded that the Company's disclosure controls and procedures were effective as of such date.

Management's Report on Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. The Company's internal control over financial reporting is designed 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 in the United States ("GAAP").

Internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, is a process designed by, or under the supervision of, the CEO and CFO and is effected by the board of directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with GAAP. Internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that the receipts and expenditures of the Company are being made only in accordance with appropriate authorization of management and the board of directors; and
- 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. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of the 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.

Our management, with the participation of our CEO and CFO, assessed the effectiveness of the Company's internal control over financial reporting as of January 31, 2016 . In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control-Integrated Framework (2013 Framework). Based on our assessment, we have concluded that, as of January 31, 2016 , the Company's internal control over financial reporting was effective based on those criteria.

The effectiveness of our internal control over financial reporting as of January 31, 2016 , has been audited by Ernst & Young LLP, the independent registered certified public accounting firm, who also audited the Company's consolidated financial statements, as stated in their report included herein.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) identified in connection with management's evaluation during our last quarter of fiscal 2016 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Report of Independent Registered Certified Public Accounting Firm

The Board of Directors and Shareholders of Tech Data Corporation

We have audited Tech Data Corporation and subsidiaries' internal control over financial reporting as of January 31, 2016, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Tech Data Corporation and subsidiaries' 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 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 conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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.

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 generally accepted accounting principles. 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 generally accepted accounting principles, 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.

In our opinion, Tech Data Corporation and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of January 31, 2016, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Tech Data Corporation and subsidiaries as of January 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended January 31, 2016 of Tech Data Corporation and subsidiaries and our report dated March 24, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Tampa, Florida
March 24, 2016

ITEM 9B. Other Information

Appointment of Chief Operating Officer

The Company announced on March 24, 2016 that Richard T. Hume, age 56, was appointed Executive Vice President, Chief Operating Officer of the Company. Prior to his appointment at the Company, Mr. Hume was employed for over thirty years at International Business Machines Corporation ("IBM"). Most recently, from January 2015 to February 2016, Mr. Hume served as General Manager and Chief Operating Officer of Infrastructure and Outsourcing. Prior to that position, from January 2012 to January 2015, Mr. Hume served as General Manager, Europe where he led IBM's multi-brand European organization. From 2008 to 2011, Mr. Hume served as General Manager, Global Business Partners, directing the growth and channel development initiatives for IBM's Business Partner Channel. Mr. Hume holds a Bachelor of Science in Accounting from Pennsylvania State University.

Pursuant to his employment agreement ("Employment Agreement"), Mr. Hume will serve as Executive Vice President, Chief Operating Officer reporting to our Chief Executive Officer. The Employment Agreement is for an indefinite term and is effective as of March 22, 2016. Mr. Hume's base salary is \$650,000 per year, and will be reviewed annually by the Compensation Committee of the Board of Directors ("Compensation Committee") on the same basis as applicable to the other senior executive officers of the Company. Mr. Hume also has an opportunity to earn incentive compensation under the Company's Incentive Bonus Plan as determined by the Compensation Committee. Mr. Hume's target annual incentive will be 100% of his base salary. Mr. Hume is also eligible to receive equity awards pursuant to the Company's Long Term Incentive Plan as determined by the Compensation Committee. In addition, in consideration of Mr. Hume's forfeiture of certain compensation from his prior employer, at the time of the grant of the equity awards referenced above, Mr. Hume will also receive a special grant of time-based restricted stock units with a value of \$850,000. This special grant will be subject to the same vesting and other terms and conditions applicable to the initial award of restricted stock units of Mr. Hume. Mr. Hume will also participate in the Company's Executive Severance Plan and Change in Control Policy. Mr. Hume is subject to non-competition and non-solicitation covenants during the term of his employment and for one year after such employment ends, provided that if Mr. Hume is terminated for cause or voluntarily resigns, then these covenants would not apply and Mr. Hume would not be entitled to severance. Mr. Hume is also entitled to receive other benefits including participation in the Company's Executive Choice Plan in an amount up to \$20,000 per year, and reimbursement or payment for certain relocation expenses.

Adoption of Tech Data Corporation Change in Control Severance Policy

On March 22, 2016, the Board of Directors adopted the Tech Data Corporation Change in Control Severance Policy (the "CIC Policy"). The CIC Policy applies to each individual of the Company who is designated by the Compensation Committee, in its discretion, to participate. The Compensation Committee has currently designated the Company's executive officers as participants under the CIC Policy.

The CIC Policy provides for "double trigger" severance benefits, which means that a participant will only be entitled to benefits under the CIC Policy in the event that (1) there is a Change in Control of the Company, and (2) the participant's employment with the Company is terminated by the Company without Cause or by the participant for Good Reason (as these terms are defined in the CIC Policy) within 24 months after the effective date of the change in control (a "Qualifying Termination"). In the event of a Qualifying Termination, a participant will receive the following severance benefits, subject to his or her execution and non-revocation of a general release of claims against the Company:

- (a) A lump sum cash severance payment equal to (i) a multiple (which is 2.5 for the chief executive officer and between 1.5 and 2.0 for all other current participants) times the sum of the participant's base salary and target annual bonus, and (ii) a pro-rata annual bonus for the fiscal year of the Company in which the termination date occurs, on the regularly scheduled payment date, determined based on actual performance of the Company (and in a manner consistent with how bonus determinations are made for continuing, active employees of the Company), prorated based on the number of days the participant was employed in such fiscal year;
- (b) A monthly cash payment equal to the participant's monthly COBRA premiums to continue medical coverage under the Company's medical plans under which the participant was covered immediately before the termination date for the twelve months following the termination date; and
- (c) Reimbursement of the participant for reasonable expenses incurred for outplacement counseling services (i) which do not exceed \$20,000, and (ii) which are incurred within twelve months following the termination date.

As a condition to participation in and to receive benefits under the CIC Policy, participants agree to be bound by certain restrictive covenants including an agreement not to compete with the business of the Company for a period of one year following the participant's termination date. The CIC Policy does not provide for any excise tax gross up payments. Instead, the CIC Policy provides for a cutback of payments and benefits below the relevant parachute threshold for a participant if the participant would be better off on a net after-tax basis following such reduction.

The above summary is qualified by reference to the text of the CIC Policy that is filed herewith as Exhibit 10-52 and incorporated herein by reference.

PART III

ITEM 10. Directors, Executive Officers and Corporate Governance.

The information required by Item 10 relating to executive officers of the Company is included under the caption "Executive Officers" of Item 1 of this Form 10-K. The information required by Item 10 relating to Directors and corporate governance disclosures of the Company is incorporated herein by reference to the Company's definitive proxy statement for the 2016 Annual Meeting of Shareholders ("Proxy Statement"). The Proxy Statement for the 2016 Annual Meeting of Shareholders will be filed with the SEC within 120 days of the Company's fiscal year ended January 31, 2016 .

Audit Committee

The Company has a separately designated, standing Audit Committee. The members of the Audit Committee are Charles E. Adair, Harry J. Harczak, Jr. (Chair), Patrick G. Sayer and Savio W. Tung. The Board of Directors of Tech Data has determined that Charles E. Adair and Harry J. Harczak, Jr. are "audit committee financial experts" as defined by Item 407(d)(5) of Regulation S-K under the Securities Exchange Act of 1934. All members of the Audit Committee are independent as defined by applicable law and the listing requirements of NASDAQ.

Code of Conduct

The Company has adopted a code of business conduct and ethics for directors, officers (including the principal executive officer, principal financial officer, and principal accounting officer), and employees, known as the Code of Conduct, which is available on the Corporate Governance section of the Investor Relations area of our website at www.techdata.com/investor . Tech Data intends to provide information required by Item 5.05 of Form 8-K by disclosing any amendment to, or waiver from, a provision of the Code of Conduct that applies to Tech Data's principal executive officer, principal financial officer, and principal accounting officer, or persons performing similar functions on the Company's website at the web address noted in this section.

ITEM 11. Executive Compensation.

The information required by this item is incorporated herein by reference to the Company's Proxy Statement.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**Equity Compensation Plan Information**

The number of shares issuable upon exercise of outstanding share-based equity incentives granted to employees and non-employee directors, as well as the number of shares remaining available for future issuance, under our equity compensation and equity purchase plans as of January 31, 2016 are summarized in the following table:

Plan category	Number of shares to be issued upon exercise of outstanding equity-based incentives	Weighted average exercise price per share of outstanding equity-based incentives	Number of shares remaining available for future issuance under equity compensation plans
Equity compensation plans approved by shareholders for:			
Employee equity compensation	528,739 ⁽¹⁾	\$ 33.06 ⁽²⁾	2,405,141 ⁽³⁾
Employee stock purchase	—	—	498,440
Total	<u>528,739</u>	<u>\$ 33.06</u>	<u>2,903,581</u>

(1) The total of equity-based incentives outstanding also includes 12,257 units outstanding for non-employee directors.

(2) Amount represents the weighted average exercise price for the 32,410 outstanding MV Stock-settled SARs, MVOs and stock options. There are 496,329 nonvested restricted stock awards that do not have an exercise price.

(3) All employee and non-employee director share-based equity incentive awards are issued under the shareholder-approved 2009 Equity Incentive Plan of Tech Data Corporation.

The information required by Item 12 relating to Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters is incorporated herein by reference to the Company's Proxy Statement.

ITEM 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this item is incorporated herein by reference to the Company's Proxy Statement. However, the information included in such Proxy Statement included under the caption entitled "Report of the Audit Committee" shall not be deemed incorporated by reference in this Form 10-K and shall not otherwise be deemed filed under the Securities Act of 1933, as amended, or under the Exchange Act.

ITEM 14. Principal Accountant Fees and Services.

Information regarding principal accountant fees and services is set forth under the caption "Independent Registered Certified Public Accounting Firm Fees" in the Company's Proxy Statement and incorporated by reference herein.

PART IV

ITEM 15. Exhibits, Financial Statement Schedules.

- (a) See index to financial statements and schedules included in Item 8.
- (b) The exhibit numbers on the following list correspond to the numbers in the exhibit table required pursuant to Item 601 of Regulation S-K.

Exhibit Number	
3-1 ⁽³¹⁾	Amended and Restated Articles of Incorporation of Tech Data Corporation filed on June 4, 2014 with the Secretary of the State of Florida
3-2 ⁽³¹⁾	Bylaws of Tech Data Corporation as adopted by the Board of Directors and approved by the Shareholders on June 4, 2014
4-1 ⁽²⁴⁾	Indenture, dated as of September 21, 2012, between Tech Data Corporation and U.S. Bank National Association, as trustee
4-2 ⁽²⁴⁾	Form of 3.750% Note due 2017
10-1 ⁽⁴⁾	1995 Employee Stock Purchase Plan
10-2 ⁽⁵⁾	Transfer and Administration Agreement dated May 19, 2000
10-3 ⁽⁶⁾	2000 Non-Qualified Stock Option Plan of Tech Data Corporation
10-4 ⁽⁷⁾	Trust Agreement Between Tech Data Corporation and Fidelity Management Trust Company, Tech Data Corporation 401(k) Savings Plan Trust, effective August 1, 2003
10-5 ⁽³⁾	2005 Deferred Compensation Plan
10-6 ⁽²⁾	Amendment Number 8 to Transfer and Administration Agreement dated as of May 19, 2000 (composite through amendment 8, dated as of December 13, 2004)
10-7 ⁽²⁵⁾	Amendment Number 9 to Transfer and Administration Agreement dated as of March 7, 2005
10-8 ⁽⁸⁾	Executive Severance Plan, effective March 31, 2005
10-9 ⁽⁸⁾	First Amendment to the Tech Data Corporation 2005 Deferred Compensation Plan, effective January 1, 2005
10-10 ⁽⁹⁾	Amendment No. 10 to Transfer and Administration Agreement dated as of September 10, 2005
10-11 ⁽¹⁰⁾	Amended and Restated 2000 Equity Incentive Plan of Tech Data Corporation
10-12 ⁽¹⁰⁾	First Amendment to the Amended and Restated 2000 Equity Incentive Plan of Tech Data Corporation
10-13 ⁽¹¹⁾	Employment Agreement Between Tech Data Corporation and Robert M. Dutkowsky, dated October 2, 2006
10-14 ⁽¹²⁾	Amendment Number 11 to Transfer and Administration Agreement dated as of March 20, 2007

10-15 ⁽¹³⁾	Equity Incentive Bonus Plan
10-16 ⁽¹⁴⁾	Amendment Number 12 to Transfer and Administration Agreement dated as of December 18, 2007
10-17 ⁽¹⁵⁾	Third Amended and Restated Lease Agreement dated June 27, 2008
10-18 ⁽¹⁵⁾	Third Amended and Restated Credit Agreement dated June 27, 2008
10-19 ⁽¹⁵⁾	Third Amended and Restated Participation Agreement dated June 27, 2008
10-20 ⁽¹⁶⁾	Amendment No. 13 to Transfer and Administration Agreement dated as of October 22, 2008
10-21 ⁽¹⁷⁾	2009 Equity Incentive Plan of Tech Data Corporation
10-22 ⁽¹⁸⁾	Amendment Number 14 to Transfer and Administration Agreement dated as of October 16, 2009
10-23 ⁽¹⁹⁾	Amendment Number 15 to Transfer and Administration Agreement dated as of October 15, 2010
10-24 ⁽²⁰⁾	Amendment No. 16 to Transfer and Administration Agreement dated as of August 31, 2011
10-25 ⁽²¹⁾	Amendment No. 17 to Transfer and Administration Agreement dated as of December 13, 2011
10-26 ⁽²¹⁾	Tech Data Corporation 401(k) Savings Plan (as amended and restated January 1, 2006) and Amendments 1 through 5
10-27 ⁽²²⁾	Executive Bonus Plan, approved by Shareholders at 2012 Annual Meeting
10-28 ⁽²³⁾	Amendment No. 18 to Transfer and Administration Agreement as of October 31, 2012
10-29 ⁽²³⁾	Consent for Third Amended and Restated Participation Agreement
10-30 ⁽²⁶⁾	Amendments 1 through 5 of Trust Agreement Between Fidelity Management Trust Company and Tech Data Corporation
10-31 ⁽²⁶⁾	Amendment to the Tech Data Corporation 401(k) Savings Plan (as amended and restated January 1, 2006) dated December 11, 2012
10-32 ⁽²⁷⁾	Waiver Agreement to the Third Amended and Restated Participation Agreement, Third Amended and Restated Lease Agreement and Third Amended and Restated Credit Agreement, dated as of April 30, 2013
10-33 ⁽²⁷⁾	Limited Waiver to the Transfer and Administration Agreement, as last amended by Amendment No. 18 thereto, dated as of April 29, 2013
10-34 ⁽²⁸⁾	Fourth Amended and Restated Lease Agreement, dated as of June 27, 2013
10-35 ⁽²⁸⁾	Fourth Amended and Restated Credit Agreement, dated as of June 27, 2013
10-36 ⁽²⁸⁾	Fourth Amended and Restated Participation Agreement, dated as of June 27, 2013

[Table of Contents](#)

10-37 ⁽²⁸⁾	Waiver Agreement to the Fourth Amended and Restated Participation Agreement, Fourth Amended and Restated Lease Agreement and Fourth Amended and Restated Credit Agreement, dated as of July 29, 2013
10-38 ⁽²⁸⁾	First Amendment to the Limited Waiver to the Transfer and Administration Agreement, as last amended by Amendment No. 18 thereto, dated as of July 29, 2013
10-39 ⁽²⁸⁾	Amendment Number 19 to Transfer and Administration Agreement dated as of August 12, 2013
10-40 ⁽²⁹⁾	Second Waiver Agreement and Amendment to the Fourth Amended and Restated Participation Agreement, Fourth Amended and Restated Lease Agreement and Fourth Amended and Restated Credit Agreement, dated as of October 16, 2013
10-41 ⁽²⁹⁾	Second Amendment to the Limited Waiver to the Transfer and Administration Agreement, as last amended by Amendment No. 19 thereto, dated as of October 16, 2013
10-42 ⁽³⁰⁾	Third Waiver Agreement and Amendment to the Fourth Amended and Restated Participation Agreement, Fourth Amended and Restated Lease Agreement and Fourth Amended and Restated Credit Agreement, dated as of January 27, 2014
10-43 ⁽³⁰⁾	Third Amendment to the Limited Waiver to the Transfer and Administration Agreement, as last amended by Amendment No. 19 thereto, dated as of January 27, 2014
10-44 ⁽³⁰⁾	Employment Agreement between Tech Data Corporation and Néstor Cano, dated as of January 17, 2014
10-45 ⁽³⁰⁾	Amendment to the 2009 Equity Incentive Plan of Tech Data Corporation
10-46 ⁽³²⁾	Amendment Number 20 to Transfer and Administration Agreement dated as of August 20, 2014
10-47 ⁽³³⁾	Tech Data Deferred Compensation Plan Trust Agreement
10-48 ⁽³⁴⁾	Retirement Agreement between Tech Data Corporation and Jeffery P. Howells, dated as of June 1, 2015
10-49 ⁽³⁵⁾	Amendment Number 21 to Transfer and Administration Agreement dated as of August 31, 2015
10-50 ⁽¹⁾	Amended and Restated Credit Agreement dated as of November 5, 2015
10-51 ⁽¹⁾	Employment Agreement Between Tech Data Corporation and Richard T. Hume, dated as of February 1, 2016
10-52 ⁽¹⁾	Tech Data Corporation Change in Control Severance Policy dated as of March 22, 2016
21-1 ⁽¹⁾	Subsidiaries of Registrant
23-1 ⁽¹⁾	Consent of Ernst & Young LLP
24 ⁽¹⁾	Power of Attorney (included on signature page)
31-A ⁽¹⁾	Certification of Chief Executive Officer Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31-B ⁽¹⁾	Certification of Chief Financial Officer Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32-A ⁽¹⁾	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32-B ⁽¹⁾	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101 ⁽³⁶⁾	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) Consolidated Balance Sheet as of January 31, 2016 and 2015; (ii) Consolidated Statement of Income for the fiscal years ended January 31, 2016, 2015 and 2014; (iii) Consolidated Statement of Comprehensive Income for the fiscal years ended January 31, 2016, 2015 and 2014; (iv) Consolidated Statement of Shareholders' Equity for the fiscal years ended January 31, 2016, 2015 and 2014; (v) Consolidated Statement of Cash Flows for the fiscal years ended January 31, 2016, 2015 and 2014; (vi) Notes to Consolidated Financial Statements, detail tagged and (vii) Financial Statement Schedule II, detail tagged.

-
- (1) Filed herewith.
 - (2) Incorporated by reference to the Exhibits included in the Company's Form 8-K dated December 31, 2004, File No. 0-14625.
 - (3) Incorporated by reference to the Exhibits included in the Company's Form 8-K dated December 8, 2004, File No. 0-14625.
 - (4) Incorporated by reference to the Exhibits included in the Company's Definitive Proxy Statement for the 1995 Annual Meeting of Shareholders, File No. 0-14625.
 - (5) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended July 31, 2000, File No. 0-14625.
 - (6) Incorporated by reference to the Exhibits included in the Company's Registration Statement on Form S-8, File No. 333-59198.
 - (7) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended July 31, 2003, File No. 0-14625.
 - (8) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended April 30, 2005, File No. 0-14625.
 - (9) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended October 31, 2005, File No. 0-14625.
 - (10) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended April 30, 2006, File No. 0-14625.
 - (11) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended October 31, 2006, File No. 0-14625.
 - (12) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended January 31, 2007, File No. 0-14625.
 - (13) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended April 30, 2007, File No. 0-14625.
 - (14) Incorporated by reference to the Exhibits included in the Company's Form 10-K for the year ended January 31, 2008, File No. 0-14625.
 - (15) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended July 31, 2008, File No. 0-14625.
 - (16) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended October 31, 2008, File No. 0-14625.
 - (17) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended July 31, 2009, File No. 0-14625.
 - (18) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended October 31, 2009, File No. 0-14625.
 - (19) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended October 31, 2010, File No. 0-14625.
 - (20) Incorporated by reference to the Exhibits included in the Company's SC-TO I dated September 27, 2011, File No. 005-37498.
 - (21) Incorporated by reference to the Exhibits included in the Company's Form 10-K for the year ended January 31, 2012, File No. 0-14625.
 - (22) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended April 30, 2012, File No. 0-14625.
 - (23) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended October 31, 2012, File No. 0-14625.
 - (24) Incorporated by reference to the Exhibits included in the Company's Form 8-K dated September 21, 2012, File No. 0-14625.
 - (25) Incorporated by reference to the Exhibits included in the Company's Form 8-K dated March 7, 2005, File No. 0-14625.
 - (26) Incorporated by reference to the Exhibits included in the Company's Form 10-K for the year ended January 31, 2013, File No. 0-14625.

[Table of Contents](#)

- (27) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended April 30, 2013, File No. 0-14625.
- (28) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended July 31, 2013, File No. 0-14625.
- (29) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended October 31, 2013, File 0-14625.
- (30) Incorporated by reference to the Exhibits included in the Company's Form 10-K for the year ended January 31, 2014, File No. 0-14625.
- (31) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the year ended April 30, 2014, File No. 0-14625.
- (32) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended October 31, 2014, File No. 0-14625.
- (33) Incorporated by reference to the Exhibits included in the Company's Form 10-K for the year ended January 31, 2015, File No. 0-14625.
- (34) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended April 30, 2015, File No. 0-14625.
- (35) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended October 31, 2015, File No. 0-14625.
- (36) XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statements or prospectus for purposes of Sections 11 and 12 of the Securities Act of 1933, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

TECH DATA CORPORATION AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
(In thousands)

	Balance at beginning of period	Charged to cost and expenses	Activity		Balance at end of period
			Deductions	Other (1)	
Allowance for doubtful accounts receivable and sales returns					
Year ended January 31:					
2016	\$ 50,143	\$ 6,061	\$ (13,797)	\$ 3,468	\$ 45,875
2015	\$ 58,754	\$ 10,415	\$ (25,083)	\$ 6,057	\$ 50,143
2014	\$ 58,284	\$ 11,725	\$ (25,187)	\$ 13,932	\$ 58,754

(1) "Other" primarily includes recoveries, acquisitions and dispositions and the effect of fluctuations in foreign currencies.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on March 24, 2016.

TECH DATA CORPORATION

By /s/ ROBERT M. DUTKOWSKY

Robert M. Dutkowsky

Chief Executive Officer

POWER OF ATTORNEY

Each person whose signature to this Annual Report on Form 10-K appears below hereby appoints David R. Vetter and Charles V. Dannewitz as his or her attorney-in-fact to sign on his or her behalf individually and in the capacity stated below and to file all amendments and post-effective amendments to this Annual Report on Form 10-K, and any and all instruments or documents filed as a part of or in connection with this Annual Report on Form 10-K or the amendments thereto, and the attorney-in-fact, or either of them, may make such changes and additions to this Annual Report on Form 10-K as the attorney-in-fact, or either of them, may deem necessary or appropriate.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ ROBERT M. D UTKOWSKY</u> Robert M. Dutkowsky	Chief Executive Officer, Director (principal executive officer)	March 24, 2016
<u>/s/ CHARLES V. D ANNEWITZ</u> Charles V. Dannewitz	Executive Vice President and Chief Financial Officer (principal financial officer)	March 24, 2016
<u>/s/ JEFFREY L. T AYLOR</u> Jeffrey L. Taylor	Senior Vice President and Corporate Controller (principal accounting officer)	March 24, 2016
<u>/s/ STEVEN A. R AYMUND</u> Steven A. Raymund	Chairman of the Board of Directors	March 24, 2016
<u>/s/ CHARLES E. A DAIR</u> Charles E. Adair	Director	March 24, 2016
<u>/s/ HARRY J. H ARCZAK, J R.</u> Harry J. Harczak, Jr.	Director	March 24, 2016
<u>/s/ KATHLEEN M ISUNAS</u> Kathleen Misunas	Director	March 24, 2016
<u>/s/ THOMAS I. M ORGAN</u> Thomas I. Morgan	Director	March 24, 2016
<u>/s/ PATRICK G. S AYER</u> Patrick G. Sayer	Director	March 24, 2016
<u>/s/ SAVIO W. T UNG</u> Savio W. Tung	Director	March 24, 2016
<u>/s/ DAVID M. U PTON</u> David M. Upton	Director	March 24, 2016

AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of November 5, 2015 among

TECH DATA CORPORATION

as the Borrower

BANK OF AMERICA, N.A.,

as Administrative Agent, Swing Line Lender and an L/C Issuer and

The Other Lenders Party Hereto

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED, CITIGROUP GLOBAL MARKETS, INC.,

and

J.P. MORGAN SECURITIES LLC

as Joint Lead Arrangers and Joint Bookrunners

CITIBANK, N.A. and JPMORGAN CHASE BANK, N.A.,

as

Co-Syndication Agents and L/C Issuers

SUNTRUST BANK,

THE BANK OF NOVA SCOTIA,

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,

U.S. BANK NATIONAL ASSOCIATION, UNICREDIT BANK AG

and

HSBC BANK USA, NATIONAL ASSOCIATION

as

co-Documentation Agents

TABLE OF CONTENTS

ARTICLE I DEFINITIONS AND ACCOUNTING TERMS 1

1.1	Defined Terms	1
1.2	Other Interpretive Provisions	27
1.3	Accounting Terms	28
1.4	Exchange Rates; Currency Equivalents	28
1.5	Additional Alternative Currencies	29
1.6	Change of Currency	30
1.7	Times of Day	30
1.8	Letter of Credit Amounts	30

ARTICLE II THE COMMITMENTS AND CREDIT EXTENSIONS 31

2.1	Committed Loans	31
2.2	Borrowings, Conversions and Continuations of Committed Loans	31
2.3	Letters of Credit	33
2.4	Swing Line Loans	42
2.5	Prepayments	45
2.6	Termination or Reduction of Commitments	46
2.7	Repayment of Loans	47
2.8	Interest	47
2.9	Fees	48
2.10	Computation of Interest and Fees	48
2.11	Evidence of Debt	49
2.12	Payments Generally; Administrative Agent's Clawback	49
2.13	Sharing of Payments by Lenders	51
2.14	Increase in Commitments	52
2.15	Cash Collateral	53
2.16	Defaulting Lenders	54

ARTICLE III TAXES, YIELD PROTECTION AND ILLEGALITY 56

3.1	Taxes	56
3.2	Illegality	62
3.3	Inability to Determine Rates	62
3.4	Increased Costs; Reserves on Loans	63
3.5	Compensation for Losses	65
3.6	Mitigation Obligations; Replacement of Lenders	66
3.7	Survival	66
ARTICLE IV GUARANTY 66		
4.01	Facility Guaranty	66
ARTICLE V CONDITIONS PRECEDENT TO CREDIT EXTENSIONS 66		
5.1	Conditions of Closing	66
5.2	Conditions to all Credit Extensions	68
ARTICLE VI REPRESENTATIONS AND WARRANTIES 69		
6.1	Existence, Qualification and Power; Compliance with Laws	69
6.2	Authorization; No Contravention.	69

6.3	Governmental Authorization; Other Consents	70
6.4	Binding Effect	70
6.5	Financial Statements; No Material Adverse Effect	70
6.6	Litigation	70
6.7	No Default	71
6.8	Ownership of Property; Liens	71
6.9	Environmental Compliance	71
6.10	Insurance	71
6.11	Taxes	71
6.12	ERISA Compliance	71
6.13	Subsidiaries	72
6.14	Margin Regulations; Investment Company Act	72
6.15	Disclosure	72
6.16	Compliance with Laws	73
6.17	Intangible Assets	73
6.18	Off-Balance Sheet Liabilities	73
6.19	Solvency	73
6.20	OFAC	73
6.21	Anti-Corruption Laws	73

ARTICLE VII AFFIRMATIVE COVENANTS 73

7.1	Financial Statements	73
7.2	Certificates; Other Information.	74
7.3	Notices	76
7.4	Payment of Obligations	76
7.5	Preservation of Existence, Etc	76
7.6	Maintenance of Properties	76
7.7	Maintenance of Insurance	76
7.8	Compliance with Laws	77

7.9	Books and Records	77
7.10	Inspection Rights	77
7.11	Use of Proceeds	77
7.12	New Subsidiaries	77
7.13	Compliance with Agreements	78
7.14	Compliance with ERISA	78
7.15	Anti-Corruption Laws	78

ARTICLE VIII NEGATIVE COVENANTS 78

8.1	Liens	78
8.2	Investments	80
8.3	Indebtedness	81
8.4	Fundamental Changes	82
8.5	Dispositions	83
8.6	Restricted Payments	83
8.7	Change in Nature of Business	84
8.8	Transactions with Affiliates	84
8.9	Burdensome Agreements	84
8.10	Use of Proceeds	84
8.11	Lease Obligations	84
8.12	Acquisitions	85
8.13	Financial Covenants	85

8.14	Off-Balance Sheet Liabilities	85
8.15	Sanctions	85
8.16	Anti-Corruption Laws	86

ARTICLE IX EVENTS OF DEFAULT AND REMEDIES 86

9.1	Events of Default	86
9.2	Remedies Upon Event of Default	88
9.3	Application of Funds	89

ARTICLE X ADMINISTRATIVE AGENT 90

10.1	Appointment and Authority	90
10.2	Rights as a Lender	90
10.3	Exculpatory Provisions	90
10.4	Reliance by Administrative Agent	91
10.5	Delegation of Duties	91
10.6	Resignation of Administrative Agent	92
10.7	Non-Reliance on Administrative Agent and Other Lenders	93
10.8	No Other Duties, Etc	93
10.9	Administrative Agent May File Proofs of Claim	93
10.10	Guaranty Matters	94

ARTICLE XI MISCELLANEOUS 95

11.1	Amendments, Etc	95
11.2	Notices; Effectiveness; Electronic Communication.	97
11.3	No Waiver; Cumulative Remedies; Enforcement	99
11.4	Expenses; Indemnity; Damage Waiver	99
11.5	Payments Set Aside	101
11.6	Successors and Assigns	101
11.7	Treatment of Certain Information; Confidentiality	106
11.8	Right of Setoff	107
11.9	Interest Rate Limitation.	107

11.10	Counterparts; Integration; Effectiveness	108
11.11	Survival of Representations and Warranties	108
11.12	Severability	108
11.13	Replacement of Lenders	108
11.14	Governing Law; Jurisdiction; Etc	109
11.15	Waiver of Jury Trial	110
11.16	USA PATRIOT Act Notice	110
11.17	Judgment Currency	111
11.18	No Advisory or Fiduciary Responsibility	111
11.19	Electronic Execution of Assignments and Certain Other Documents	111
11.20	Amendment and Restatement	112

SCHEDULES

- 1.01-A Existing Letters of Credit
- 1.01-B Alternative Currencies
- 1.01-C Existing Synthetic Lease Facilities 1.01-D Existing Trade Receivables Facilities
- 2.01 Commitments and Pro Rata Shares
- 6.13 Borrower and Subsidiaries
- 6.18 Off-Balance Sheet Liabilities
- 8.1 Existing Liens
- 8.2 Investments
- 8.3 Existing Indebtedness
- 11.02 Administrative Agent's Office, Certain Addresses for Notices

EXHIBITS

Form of

- A Committed Loan Notice
 - B Swing Line Loan Notice
 - C Note
 - D Compliance Certificate
 - E Assignment and Assumption
 - F U.S. Tax Compliance Certificates
 - G Letter of Credit Report
-

AMENDED AND RESTATED CREDIT AGREEMENT

This AMENDED AND RESTATED CREDIT AGREEMENT ("Agreement") is entered into as of November 5, 2015, among TECH DATA CORPORATION, a Florida corporation (the "Borrower"), each lender from time to time party hereto (collectively, the "Lenders" and individually, a "Lender"), and BANK OF AMERICA, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer.

The Borrower, the lenders party thereto and Bank of America, N.A., as administrative agent, have entered into that certain Credit Agreement dated as of September 27, 2011 (as amended or modified from time to time prior to the date hereof, the "Existing Credit Agreement").

The parties hereto wish to amend and restate the Existing Credit Agreement to make certain amendments and modifications as more fully set forth herein.

In connection of the mutual covenants and agreements contained herein, the parties hereto agree and covenant as follows:

ARTICLE I DEFINITIONS AND ACCOUNTING TERMS

1.1 Defined Terms.

As used in this Agreement, the following terms shall have the meanings set forth below:

"Acquisition" means the acquisition of (a) a controlling equity interest in another Person (including the purchase of an option, warrant or convertible or similar type security to acquire such a controlling interest at the time it becomes exercisable by the holder thereof), whether by purchase of such equity interest or upon exercise of an option or warrant for, or conversion of securities into, such equity interest, or (b) assets of another Person which constitute all or substantially all of the assets of such Person or of a line or lines of business conducted by such Person.

"Administrative Agent" means Bank of America in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent in accordance with the terms hereof.

"Administrative Agent's Office" means, with respect to any currency, the Administrative Agent's address and, as appropriate, account as set forth on Schedule 11.02 with respect to such currency, or such

other address or account as the Administrative Agent may from time to time notify the Borrower and the Lenders.

" Administrative Questionnaire " means an Administrative Questionnaire in a form supplied by the Administrative Agent.

" Affiliate " means, with respect to any 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. " 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.

" Agent Party " has the meaning specified in Section 11.02(c).

" Aggregate Commitments " means the Commitments of all the Lenders. The initial amount of the Aggregate Commitments in effect on the Closing Date is FIVE HUNDRED MILLION DOLLARS (\$500,000,000).

" Agreement " means this Credit Agreement.

" Alternative Currency " means each currency listed on Schedule 1.01-B, and each other lawful currency (other than Dollars) that is freely available and freely transferable and convertible into Dollars and which is approved by all the Lenders in accordance with Section 1.05.

" Alternative Currency Equivalent " means, at any time, with respect to any amount denominated in Dollars, the equivalent amount thereof in the applicable Alternative Currency, as determined by the Administrative Agent or the applicable L/C Issuer, as the case may be, at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of such Alternative Currency with Dollars.

" Applicable Rate " means, from time to time, the following percentages per annum, based upon the Debt Ratings of both S&P and Moody's as set forth below:

Pricing

Debt Rating S&P/Moody's

Level		Fee	Rate	Credit Fee	
1	BBB+/Baa1 or Higher	0.125%	1.000%	1.000%	0.000%
2	BBB/Baa2	0.150%	1.100%	1.100%	0.100%
3	BBB-/Baa3	0.200%	1.175%	1.175%	0.175%
4	BB+/Ba1	0.250%	1.375%	1.375%	0.375%
5	Lower than BB+/Ba1 or unrated	0.350%	1.650%	1.650%	0.650%

Facility

Eurocurrency

Letter of

Base Rate

"Debt Rating" means, as of any date of determination, the rating as determined by either S&P or Moody's (collectively, the "Debt Ratings") of the Borrower's non-credit-enhanced, senior unsecured long-term debt; provided that (i) if a Debt Rating is issued by each of the foregoing rating agencies and there is a split in the Debt Ratings of one level, then the higher of such Debt Ratings shall apply (with the Debt Rating for Pricing Level 1 being the highest and the Debt Rating for Pricing Level 5 being the lowest), (ii) if a Debt Rating is issued by each of the foregoing rating agencies and there is a split in the Debt Ratings of more than one level, then the Debt Rating that is one level lower than the higher of such Debt Ratings shall apply and (iii) if there is no Debt Rating in effect, Pricing Level 5 shall apply.

Initially, the Applicable Rate shall be determined based upon the Debt Rating specified in the certificate delivered pursuant to Section 5.01(a)(vii). Thereafter, each change in the Applicable Rate resulting from a publicly announced change in the Debt Rating shall be effective, in the case of an upgrade, during the period commencing on the date of delivery by the Borrower to the Administrative Agent of notice thereof pursuant to Section 7.03(e) and ending on the date immediately preceding the effective date of the next such change and, in the case of a downgrade, during the period commencing on the date of the public announcement thereof and ending on the date immediately preceding the effective date of the next such change.

"Applicable Time" means, with respect to any borrowings and payments in any Alternative Currency, the local times in the place of settlement for such Alternative Currency as may be determined by the Administrative Agent to be necessary for timely settlement on the relevant date in accordance with normal banking procedures in the place of payment.

"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.

"Arrangers" means MLPFS, Citigroup Global Markets, Inc. and J.P. Morgan Securities, LLC, in their capacity as joint lead arrangers and joint bookrunners.

"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 11.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit E or any other form (including electronic documentation generated by use of an electronic platform) approved by the Administrative Agent.

"Attorney Costs" means and includes all reasonable fees, expenses and disbursements of any law firm or other external counsel and, without duplication, the allocated cost of internal legal services and all expenses and disbursements of internal counsel.

"Attributable Indebtedness" means, on any date:

(a) in respect of any capital lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP;

(b) in respect of any Real Estate Financing Facility that is characterized as a lease, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared in accordance with GAAP if such lease were accounted for as a capital lease, calculated as of the Closing Date, with respect to any Real Estate Financing Facility outstanding on the Closing Date, or the date of the closing of any Real Estate Financing Facility entered into subsequent to the Closing Date, and recalculated at the time of

any refinancing, renewal, increase or repayment of any Real Estate Financing Facility; and

(c) in respect of any asset securitization transaction of any Person, (i) the actual amount of any unrecovered investment of purchasers or transferees of assets so transferred, plus

(ii) in the case of any other payment, recourse, repurchase, hold harmless, indemnity or similar obligation described in clause (a)(ii) of the definition of "Off-Balance Sheet Liabilities," the capitalized amount of such obligation that would appear on a balance sheet of such Person prepared on such date in accordance with GAAP if such sale or transfer or assets were accounted for as a secured loan.

" Audited Financial Statements " means the audited consolidated balance sheet of the Borrower and its Subsidiaries for the fiscal year ended January 31, 2015 , and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year of the Borrower and its Subsidiaries, including the notes thereto.

" Auto-Extension Letter of Credit " has the meaning specified in Section 2.03(b)(iii) .

" Availability Period " means the period from and including the Closing Date to the earliest of (a) the Maturity Date, (b) the date of termination of the Aggregate Commitments pursuant to Section 2.06 , and (c) the date of termination of the commitment of each Lender to make Loans and of the obligation of the L/C Issuers to make L/C Credit Extensions pursuant to Section 9.02 .

" Bank of America " means Bank of America, N.A. and its successors.

" Base Rate " means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate" and (c) the Eurocurrency Rate plus 1.0%. The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America'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 Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

" Base Rate Committed Loan " means a Committed Loan that is a Base Rate Loan.

" Base Rate Loan " means a Loan that bears interest based on the Base Rate. All Base Rate Loans shall be denominated in Dollars.

" Borrower " has the meaning specified in the introductory paragraph hereto.

" Borrower Materials " has the meaning specified in Section 7.02 .

" Borrowing " means a Committed Borrowing or a Swing Line Borrowing, as the context may require.

" Business Day " means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent's Office with respect to Obligations denominated in Dollars is located and:

(a) if such day relates to any interest rate settings as to a Eurocurrency Rate Loan denominated in Dollars, any fundings, disbursements, settlements and payments in Dollars in

respect of any such Eurocurrency Rate Loan, or any other dealings in Dollars to be carried out pursuant to this Agreement in respect of any such Eurocurrency Rate Loan, means any such day that is also a London Banking Day;

(b) if such day relates to any interest rate settings as to a Eurocurrency Rate Loan denominated in Euro, any fundings, disbursements, settlements and payments in Euro in respect of any such Eurocurrency Rate Loan, or any other dealings in Euro to be carried out pursuant to this Agreement in respect of any such Eurocurrency Rate Loan, means a TARGET Day;

(c) if such day relates to any interest rate settings as to a Eurocurrency Rate Loan denominated in a currency other than Dollars or Euro, means any such day on which dealings in deposits in the relevant currency are conducted by and between banks in the London or other applicable offshore interbank market for such currency;

(d) if such day relates to any fundings, disbursements, settlements and payments in a currency other than Dollars or Euro in respect of a Eurocurrency Rate Loan denominated in a currency other than Dollars or Euro, or any other dealings in any currency other than Dollars or Euro to be carried out pursuant to this Agreement in respect of any such Eurocurrency Rate Loan (other than any interest rate settings), means any such day on which banks are open for foreign exchange business in the principal financial center of the country of such currency;

(e) any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state of New York.

" Cash Collateralize " means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Administrative Agent or an L/C Issuer (as applicable) and the Lenders, as collateral for L/C Obligations or obligations of Lenders to fund participations therein (as the context may require), cash or deposit account balances or, if an L/C Issuer benefitting from such collateral shall agree in its sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to (a) the Administrative Agent and (b) an L/C Issuer. "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

" 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, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) 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.

" Change of Control " means, with respect to any Person, an event or series of events by which:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire (such right, an " option right "), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 30% or more of the equity securities of such Person entitled to vote for members of the board of directors or equivalent governing body of such Person on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right); or

(b) during any period of 12 consecutive months, a majority of the members of the board of directors or other equivalent governing body of such Person cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.

" Closing Date " means the date hereof.

" Code " means the Internal Revenue Code of 1986.

" Commitment " means, as to each Lender, its obligation to (a) make Committed Loans to the Borrower pursuant to Section 2.01, (b) purchase participations in L/C Obligations, and (c) purchase participations in Swing Line Loans, in an aggregate principal amount (at any one time outstanding) for which the Dollar Equivalent amount does not exceed the amount set forth opposite such Lender's name on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

" Committed Borrowing " means a borrowing consisting of simultaneous Committed Loans of the same Type and, in the case of Eurocurrency Rate Loans, having the same Interest Period made by each of the Lenders pursuant to Section 2.01.

" Committed Loan " has the meaning specified in Section 2.01.

" Committed Loan Notice " means a notice of (a) a Committed Borrowing, (b) a conversion of Committed Loans from one Type to the other, or (c) a continuation of Eurocurrency Rate Loans, pursuant to Section 2.02(a), which shall be substantially in the form of Exhibit A or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

" Compliance Certificate " means a certificate substantially in the form of Exhibit D.

" 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 Debt-to-Capitalization Ratio " means, as of any date of determination, subject to Section 8.13(c), the ratio of (a) Consolidated Funded Indebtedness as of such date to (b) Consolidated Total Capitalization as of such date.

" Consolidated EBITDA " means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, an amount equal to Consolidated Net Income for such period plus the following to the extent deducted in calculating such Consolidated Net Income: (a) Consolidated Interest Charges for such period, (b) the provision for federal, state, local and foreign income taxes payable by the Borrower and its Subsidiaries for such period, (c) the amount of depreciation and amortization expense for such period, (d) non-cash stock based compensation expense and (e) other non-recurring expenses of the Borrower and its Subsidiaries reducing such Consolidated Net Income which do not represent a cash item.

" Consolidated Funded Indebtedness " means, as of any date of determination, for the Borrower and its Subsidiaries on a consolidated basis, the sum of (a) the outstanding principal amount of all obligations, whether current or long-term, for borrowed money (including Obligations hereunder) and all obligations evidenced by bonds, debentures (including all Convertible Debentures), notes, loan agreements or other similar instruments (which amount, for the avoidance of doubt, includes only the drawn portion of any line of credit or revolving credit facility), (b) all purchase money Indebtedness, (c) all direct obligations arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments, (d) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business), (e) all Attributable Indebtedness in respect of capital leases, obligations under the Real Estate Financing Facilities and asset securitization transactions, (f) without duplication, all Guarantees with respect to outstanding Indebtedness of the types specified in clauses (a) through (e) above of Persons other than the Borrower or any Subsidiary, and (g) all Indebtedness of the types referred to in clauses (a) through (f) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which the Borrower or a Subsidiary is a general partner or joint venturer, unless such Indebtedness is expressly made non-recourse to the Borrower or such Subsidiary. "Consolidated Funded Indebtedness" of a Person shall not include (x) any true sale by such Person of accounts receivable, as determined in accordance with GAAP, which sale is not, and is not made in connection with, an obligation under any Real Estate Financing Facility or an asset securitization transaction and (y) any obligation arising under a sale and lease back transaction that is an operating lease.

" Consolidated Interest Charges " means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, the sum of (a) all interest, premium payments, debt discount, fees, charges and related expenses of the Borrower and its Subsidiaries in connection with borrowed money or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP, and (b) the portion of rent expense of the Borrower and its Subsidiaries with respect to such period under capital leases that is treated as interest in accordance with GAAP.

" Consolidated Interest Coverage Ratio " means, as of any date of determination, subject to Section 8.13(c) the ratio of (a) Consolidated EBITDA for the period of the four prior fiscal quarters ending on such date to (b) Consolidated Interest Charges for such four fiscal quarter period.

" Consolidated Net Income " means the consolidated net income of Borrower and its Subsidiaries, plus or minus minority interest of a Person, and excluding any other gain or loss or credit of an extraordinary nature, all as determined in accordance with GAAP.

" Consolidated Total Capitalization " means, as of any date of determination, the sum of Consolidated Funded Indebtedness plus Shareholders' Equity.

" 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 " has the meaning specified in the definition of "Affiliate."

" Convertible Debentures " means convertible debentures issued pursuant to a Tech Data Indenture , which may be offered in a single transaction, a series of transactions, or in separate transactions. The Convertible Debentures may be either senior or subordinated debentures.

" Cost of Acquisition " means the sum of (a) the amount of cash and the face amount of any debt instrument given as consideration plus (b) any Indebtedness assumed by Borrower or its Subsidiaries in connection with such Acquisition.

" Credit Extension " means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

" Debenture Put Option " means the option of any holder of Convertible Debentures to require the Borrower to repurchase such debentures in accordance with the terms of a Tech Data Indenture.

" Debt Rating " has the meaning set forth in the definition of "Applicable Rate."

" 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 and affecting the rights of creditors generally.

" Default " means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

" Default Rate " means an interest rate equal to (a) the Base Rate plus (b) the Applicable Rate, if any, applicable to Base Rate Loans plus (c) 2% per annum; provided, however, that with respect to a Eurocurrency Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan plus 2% per annum; and provided, further, that with

respect to Letter of Credit fees, the Default Rate shall be a rate equal to the Applicable Rate (for Letter of Credit fees) plus 2% per annum, in each case to the fullest extent permitted by applicable Laws.

" Defaulting Lender " means, subject to Section 2.15(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within three (3) 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, the L/C Issuer, the Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swing Line Loans) within three (3) Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent, the L/C Issuer or the Swing Line Lender 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

(3) 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, or (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; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interests 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, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.15(b)) as of the date established therefor by the Administrative Agent in a written notice of

such determination, which shall be delivered by the Administrative Agent to the Borrower, the L/C Issuer, the Swing Line Lender and each other Lender promptly following such determination.

" Designated Jurisdiction " means any country or territory to the extent that such country or territory itself is the subject of Sanctions that broadly prohibit dealings with such country or territory (as of the Closing Date, the Crimea region of Ukraine, Cuba, Iran, North Korea, Sudan and Syria).

" Disposition " or " Dispose " means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) of any property by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

" Dollar " and " \$ " mean lawful money of the United States.

" Dollar Equivalent " means, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in any Alternative Currency, the equivalent amount thereof in Dollars as determined by the Administrative Agent or the applicable L/C Issuer, as the case may be, at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of Dollars with such Alternative Currency.

" Domestic Subsidiary " means any Subsidiary that is organized under the laws of any political subdivision of the United States.

" Eligible Assignee " means any Person that meets the requirements to be an assignee under Section 11.06(b)(iii) and (v) (subject to such consents, if any, as may be required under Section 10.06(b)(iii)).

" Environmental Laws " means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

" Environmental Liability " means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower, any other Loan Party or any of their respective Subsidiaries 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.

" ERISA " means the Employee Retirement Income Security Act of 1974.

" ERISA Affiliate " means any trade or business (whether or not incorporated) under common control with a Loan Party within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

" ERISA Event " means (a) a Reportable Event with respect to a Pension Plan; (b) 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 a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan or Multiemployer Plan amendment as a termination under Sections 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan or Multiemployer Plan; (f) 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; (g) the determination that any Pension Plan is considered an at-risk plan or receipt of notification by the Borrower that any Multiemployer Plan is in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Internal Revenue Code or Sections 303, 304 and 305 of ERISA; or (h) the

imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate.

"Euro" and "EUR" mean the single currency of the Participating Member States.

"Eurocurrency Rate" means,

(a) with respect to any Credit Extension:

(i) denominated in a LIBOR Quoted Currency, the rate per annum equal to the London Interbank Offered Rate ("LIBOR") or a comparable or successor rate which rate is approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for deposits in the relevant currency (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period;

(ii) denominated in Canadian dollars, the rate per annum equal to the Canadian Dealer Offered Rate ("CDOR"), or a comparable or successor rate which rate is approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at or about 10:00 a.m. (Toronto, Ontario time) on the first day of such Interest Period (or such other day as is generally treated as the rate fixing day by market practice in such interbank market, as determined by the Administrative Agent) (or if such day is not a Business Day, then on the immediately preceding Business Day with a term equivalent to such Interest Period;

(iii) denominated in Australian dollars, the rate per annum equal to the Bank Bill Swap Reference Bid Rate ("BBSY") or a comparable or successor rate, which rate is approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at or about 10:30 a.m. (Melbourne, Australia time) on the Rate Determination Date with a term equivalent to such Interest Period;

(iv) denominated in Hong Kong dollars, the rate per annum equal to the Hong Kong Interbank Offered Rate ("HIBOR") or, if such rate is not available, a comparable or successor rate, which rate is reasonably selected by the Administrative Agent, as published by the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at or about 11:00

a.m. (Hong Kong time) on the Rate Determination Date with a term equivalent to such Interest Period;

(v) denominated in Singapore dollars, the rate per annum equal to the Singapore Interbank Offered Rate ("SIBOR") or, if such rate is not available, a comparable or successor rate, which rate is reasonably selected by the Administrative Agent, as published by the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at or about 11:00

a.m. (Singapore time) on the Rate Determination Date with a term equivalent to such Interest Period; and

(b) for any rate calculation with respect to a Base Rate Loan on any date, the rate per annum equal to LIBOR, at or about 11:00 a.m., London time determined two Business Days prior to such date for U.S. Dollar deposits with a term of one month commencing that day;

provided that to the extent a comparable or successor rate is approved by the Administrative Agent in connection with any rate set forth in this definition, the approved rate shall be applied in a manner consistent with market practice; provided, further that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent; and if the Eurocurrency Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

"Eurocurrency Rate Loan" means a Committed Loan that bears interest at a rate based on clause

(a) of the definition of the Eurocurrency Rate. Eurocurrency Rate Loans may be denominated in Dollars or in an Alternative Currency. All Loans denominated in an Alternative Currency must be Eurocurrency Rate Loans.

"Event of Default" has the meaning specified in Section 9.01.

"Exchange Act Reports" shall mean the Annual Report of the Borrower on Form 10-K for the year ended January 31, 2015, the Quarterly Reports of the Borrower on Form 10-Q for the quarters ended April 30, 2015 and July 31, 2015 and all Current Reports of the Borrower on Form 8-K dated February 1, 2015 to five (5) Business Days prior to the Closing Date.

"Excluded Subsidiary" means (a) Tech Data Finance SPV, Inc., (b) any Domestic Subsidiary that is a Special Purpose Finance Subsidiary and

(c) any Domestic Subsidiary all or substantially all of the assets of which consist of one or more controlled foreign corporations.

" Excluded Taxes " means any of the following Taxes imposed on or with respect to any 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 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 11.13) or (ii) such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 3.01(a)(ii) or (c), 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 3.01(e) and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA. Notwithstanding anything to the contrary contained in this definition, "Excluded Taxes" shall not include any Florida documentary tax.

" Existing Credit Agreement " has the meaning given to such term in the introductory paragraph to this Agreement.

" Existing Letters of Credit " means, collectively, the letters of credit described on Schedule 1.01-A.

" Existing Synthetic Lease Facility " means those facilities listed on Schedule 1.01-C, as each of such facilities may be amended, modified, supplemented or amended and restated from time to time.

" Existing Trade Receivables Facilities " means those facilities listed on Schedule 1.01-D, as each of such facilities may be amended, modified, supplemented or amended and restated from time to time .

" Facility Fee " has the meaning set forth in Section 2.09(a).

" Facility Guaranty " means, individually or collectively as the context may require, (a) the Guaranty Agreement, dated as of the date hereof, among the Guarantors and the Administrative Agent and (b) any other guaranty agreement executed and delivered by a Guarantor to the Administrative Agent pursuant to Section 7.12, in each case as supplemented from time to time by the execution and delivery of Guaranty Joinder Agreements pursuant to the Facility Guaranty.

" FATCA " shall mean Sections 1471 through 1474 of the Code, 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), and any current or future regulations or official interpretations thereof, any intergovernmental agreement entered into in connection therewith, and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

" Federal Funds Rate " means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that

(a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Administrative Agent.

" Fee Letter " means that certain letter agreement, dated September 28, 2015, among the Borrower, the Administrative Agent and MLPFS.

" Foreign Government " means the national government of a country other than the United States of America.

" Foreign Lender " means, with respect to the Borrower, a Lender that is not a U.S. Person. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

" Foreign Subsidiary " means a Subsidiary that is not a Domestic Subsidiary.

" FRB " means the Board of Governors of the Federal Reserve System of the United States.

" Fronting Exposure " means, at any time there is a Defaulting Lender, (a) with respect to the L/C Issuer, such Defaulting Lender's Pro Rata Share of the outstanding L/C Obligations other than L/C

Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof and (b) with respect to the Swing Line Lender, such Defaulting Lender's Pro Rata Share of Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders in accordance with the terms hereof.

" 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 and similar extensions of credit in the ordinary course of its activities.

" GAAP " means with respect to any computation required or permitted hereunder, generally accepted accounting principles in the United States as in effect from time to time.

" Governmental Authority " means the government of the United States or any other nation, or of any political subdivision thereof, whether state 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 " means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, or (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person. The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

" Guarantors " means, collectively, all Significant Subsidiaries that are Domestic Subsidiaries of the Borrower (excluding, however, any Excluded Subsidiaries) and each other Person that joins as a Guarantor pursuant to Section 7.12 or otherwise, together with their successors and assigns.

" Guaranty Joinder Agreement " means each Guaranty Joinder Agreement, substantially in the form attached to the Facility Guaranty, executed and delivered by a Guarantor to the Administrative Agent pursuant to the Facility Guaranty.

" Hazardous Materials " means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or 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.

" Honor Date " has the meaning specified in Section 2.02(c)(i).

" Increase Effective Date " has the meaning specified in Section 2.14(d).

" Indebtedness " means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

- (a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;
- (b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guarantees, surety bonds and similar instruments;
- (c) the net obligations of such Person under any Swap Contract;
- (d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business);
- (e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;
- (f) Attributable Indebtedness with respect to capital leases and obligations under the Real Estate Financing Facilities; and
- (g) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date.

The term "Indebtedness" shall not include payroll indebtedness, or trade indebtedness or Guarantee thereof incurred in the ordinary course of business (including trade indebtedness through financial intermediaries) provided such trade indebtedness has a maturity of less than one year, capital stock, surplus and retained earnings, minority interests in the stock of Subsidiaries, operating lease obligations, reserves for deferred taxes or investment credits, or deferred compensation obligations.

" 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.

" Indemnitees " has the meaning specified in Section 11.04(b).

" Information " has the meaning specified in Section 11.07.

" Interest Payment Date " means, (a) as to any Loan other than a Base Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date; provided, however, that if any Interest Period for a Eurocurrency Rate Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan (including a Swing Line Loan), the last Business Day of each February, May, August and November and the Maturity Date.

" Interest Period " means, as to each Eurocurrency Rate Loan, the period commencing on the date such Eurocurrency Rate Loan is disbursed or converted to or continued as a Eurocurrency Rate Loan and ending on the date one week, or one, two, three or six months thereafter, as selected by the Borrower in its Committed Loan Notice; provided that:

(i) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(iii) no Interest Period shall extend beyond the Maturity Date.

" Investment " means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

" Investment Policy " means the Borrower's investment policy as in effect from time to time as approved by the chief financial officer or treasurer of the Borrower.

" IRS " means the United States Internal Revenue Service.

" ISP " means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

" Issuer Documents " means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by an L/C Issuer and the Borrower (or any Subsidiary) or in favor of an L/C Issuer and relating to any such Letter of Credit.

" Laws " means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

" L/C Advance " means, with respect to each Lender, such Lender's funding of its participation in any L/C Borrowing in accordance with its Pro Rata Share.

" L/C Borrowing " means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Committed Borrowing.

" L/C Commitment " means, as to each L/C Issuer, its obligation to issue Letters of Credit for the Borrower pursuant to Section 2.03 in an aggregate principal amount at any one time outstanding not to exceed \$66,666,666.67, as such amount may be adjusted from time to time in accordance with this Agreement.

" L/C Credit Extension " means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the renewal or increase of the amount thereof.

" L/C Issuer " means (a) Bank of America in its capacity as issuer of Letters of Credit hereunder,

(b) JPMorgan Chase Bank, N.A. in its capacity as issuer of Letters of Credit hereunder, (c) Citibank, N.A. in its capacity as issuer of Letters of Credit hereunder and (d) if the L/C Issuers in clauses (a) through (c) above are unable to issue Letters of Credit for the reasons set forth in Sections 2.03(a)(iii) (B) or (E), such other Lender selected by the Borrower and consented to by such Lender (upon notice to the Administrative Agent) from time to time to issue such Letter of Credit.

" L/C Obligations " means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.08. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

" Lender " has the meaning specified in the introductory paragraph hereto and, as the context requires, includes the L/C Issuers and the Swing

Line Lender.

" Lending Office " means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent, which office may include any Affiliate of such

Lender or any domestic or foreign branch of such Lender or such Affiliate. Unless the context otherwise requires each reference to a Lender shall include its applicable Lending Office.

" Letter of Credit " means any standby letter of credit issued hereunder and shall include the Existing Letters of Credit.

" Letter of Credit Application " means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the applicable L/C Issuer.

" Letter of Credit Expiration Date " means the day that is seven days prior to the Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).

" Letter of Credit Fee " has the meaning specified in Section 2.03(h).

" Letter of Credit Sublimit " means an amount equal to \$200,000,000. The Letter of Credit Sublimit is part of, and not in addition to, the Aggregate Commitments.

" LIBOR " has the meaning specified in the definition of Eurocurrency Rate.

" LIBOR Quoted Currency " means each of the following currencies: Dollars; Euro; Sterling; Yen; and Swiss Franc; in each case as long as there is a published LIBOR rate with respect thereto.

" Lien " means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

" Loan " means an extension of credit by a Lender to the Borrower under Article II in the form of a Committed Loan or a Swing Line Loan.

" Loan Documents " means this Agreement, each Note, the Fee Letter and the Facility Guaranty.

" Loan Parties " means, collectively, the Borrower and each Guarantor.

" London Banking Day " means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank Eurodollar market.

" Material Adverse Effect " means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities, financial condition or prospects of the Borrower and its Subsidiaries taken as a whole; (b) a material impairment of the ability of any Loan Party to perform its obligations under any Loan Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party.

" Maturity Date " means November 5, 2020, or if such day is not a Business Day, the next preceding Business Day.

" Minimum Collateral Amount " means, at any time, (i) with respect to Cash Collateral consisting of cash or deposit account balances provided to reduce or eliminate Fronting Exposure during the existence of a Defaulting Lender, an amount equal to 102% of the Fronting Exposure of the L/C Issuer with respect to Letters of Credit issued and outstanding at such time, (ii) with respect to Cash Collateral consisting of cash or deposit account

balances provided in accordance with the provisions of Section 2.17(a)(i), (a)(ii) or (a)(iii), an amount equal to 102% of the Outstanding Amount of all LC Obligations, and (iii) otherwise, an amount determined by the Administrative Agent and the L/C Issuer in their sole discretion.

" MLPFS " means Merrill Lynch, Pierce, Fenner & Smith Incorporated.

" Moody's " means Moody's Investors Service, Inc. and any successor thereto.

" Multiemployer Plan " means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which a Loan Party or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

" Multiple Employer Plan " means a Plan which has two or more contributing sponsors (including a Loan Party or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

" Non-Consenting Lender " means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 11.01 and (ii) 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.

" Negative Pledge " means a Contractual Obligation that restricts Liens on property.

" Non-Extension Notice Date " has the meaning specified in Section 2.03(b)(iii) .

" Note " means a promissory note made by the Borrower in favor of a Lender evidencing Loans made by such Lender, substantially in the form of Exhibit C .

" 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 or Letter of Credit, 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 Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

" OFAC " means the Office of Foreign Assets Control of the United States Department of the Treasury.

" Off-Balance Sheet Liabilities " means, with respect to any Person as of any date of determination thereof, without duplication and to the extent not included as a liability on the consolidated balance sheet of such Person and its Subsidiaries in accordance with GAAP: (a) with respect to any asset securitization transaction (including any accounts receivable purchase facility) (i) the unrecovered investment of purchasers or transferees of assets so transferred, and (ii) any other payment, recourse, repurchase, hold harmless, indemnity or similar obligation of such Person or any of its Subsidiaries in respect of assets transferred or payments made in respect thereof, other than limited recourse provisions that are customary for transactions of such type and that neither (x) have the effect of limiting the loss or credit risk of such purchasers or transferees with respect to payment or performance by the obligors of the assets so transferred nor (y) impair the characterization of the transaction as a true sale under applicable Laws (including Debtor Relief Laws); (b) the monetary obligations under any financing lease or so-called "synthetic," tax retention or off-balance sheet lease transaction which, upon the application of any Debtor Relief Law to such Person or any of its Subsidiaries, would be characterized as indebtedness; (c) the monetary obligations under any sale and leaseback transaction which does not create a liability on the consolidated balance sheet of such Person and its Subsidiaries; or (d) any other "off-balance sheet arrangement" as defined in (i) Item 303, part (a)(4) of Regulation S-K of the SEC, or (ii) any successor regulation of the SEC defining "off-balance sheet arrangement."

" Organization Documents " means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with

respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

" 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 3.06).

" Outstanding Amount " means (a) with respect to Committed Loans and Swing Line Loans on any date, the Dollar Equivalent amount of the aggregate outstanding principal amount thereof after giving

effect to any borrowings and prepayments or repayments of Committed Loans and Swing Line Loans, as the case may be, occurring on such date; and (b) with respect to any L/C Obligations on any date, the Dollar Equivalent amount of the aggregate outstanding amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Borrower of Unreimbursed Amounts or any reductions in the maximum amount available for drawing under Letters of Credit taking effect on such date.

" Overnight Rate " means, for any day, (a) with respect to any amount denominated in Dollars, the greater of (i) the Federal Funds Rate and (ii) an overnight rate determined by the Administrative Agent, the applicable L/C Issuer, or the Swing Line Lender, as the case may be, in accordance with banking industry rules on interbank compensation, and (b) with respect to any amount denominated in an Alternative Currency, the rate of interest per annum at which overnight deposits in the applicable Alternative Currency, in an amount approximately equal to the amount with respect to which such rate is being determined, would be offered for such day by a branch or Affiliate of Bank of America in the applicable offshore interbank market for such currency to major banks in such interbank market.

" Participant " has the meaning specified in Section 11.06(d).

" Participating Member State " means any member state of the European Union that has the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

" Participant Register " has the meaning specified in Section 11.06(d).

" PBGC " means the Pension Benefit Guaranty Corporation.

" Pension Act " means the Pension Protection Act of 2006.

" Pension Funding Rules " means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and Multiemployer Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Internal Revenue Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Section 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

" Pension Plan " means any employee pension benefit plan (including a Multiple Employer Plan but excluding any Multiemployer Plan) that is maintained or is contributed to by the Borrower and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

" Permitted Trade Receivables Facilities " means, collectively, (a) the Existing Trade Receivables Facilities; (b) any successor trade receivables facility which refinances and replaces all or part of an Existing Trade Receivables Facility; (c) one or more facilities each of which provides for limited recourse sales and assignments of accounts receivable of Borrower or a Subsidiary in connection with the issuance of obligations by Borrower or a Subsidiary secured by such accounts receivable; (d) one or more facilities each of which provides for sales, transfers or assignments of accounts

receivable of Borrower or a Subsidiary to a third party purchaser, transferee or assignee; all of which facilities shall be on such terms and conditions as are reasonable and customary for such transactions; provided, that such sales, transfers

and assignments do not result in the creation of any Lien on the assets of the Borrower or any Subsidiary, other than Liens on the accounts receivable so sold, transferred or assigned.

" 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 within the meaning of Section 3(3) of ERISA (including a Pension Plan but other than a Multiemployer Plan), maintained by the Borrower for employees of the Borrower.

" Platform " has the meaning specified in Section 7.02.

" Pro Forma Basis " means, for purposes of calculating Consolidated EBITDA, any Acquisition with an aggregate purchase price of \$100,000,000 or more shall be deemed to have occurred as of the first day of the most recent four fiscal quarter period preceding the date of such transaction for which the Borrower was required to deliver financial statements pursuant to Section 7.01(a) or (b). In connection with the foregoing, income statement items attributable to the Person or property acquired shall be included to the extent relating to any period applicable in such calculation to the extent (A) such items are not otherwise included in such income statement items for the Borrower and its Subsidiaries in accordance with GAAP or in accordance with any defined terms set forth in Section 1.01 and (B) such items are supported by financial statements or other information reasonably satisfactory to the Administrative Agent.

" Pro Rata Share " means, with respect to each Lender at any time, a fraction (expressed as a percentage, carried out to the ninth decimal place), the numerator of which is the amount of the Commitment of such Lender at such time and the denominator of which is the amount of the Aggregate Commitments at such time; provided that if the commitment of each Lender to make Loans and the obligation of the L/C Issuers to make L/C Credit Extensions have been terminated pursuant to Section 9.02, then the Pro Rata Share of each Lender shall be determined based on the Pro Rata Share of such Lender immediately prior to such termination and after giving effect to any subsequent assignments made pursuant to the terms hereof. The initial Pro Rata Share of each Lender is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

" Public Lender " has the meaning specified in Section 7.02.

" Rate Determination Date " means two (2) Business Days prior to the commencement of such Interest Period (or such other day as is generally treated as the rate fixing day by market practice in such interbank market, as determined by the Administrative Agent; provided that to the extent such market practice is not administratively feasible for the Administrative Agent, such other day as otherwise reasonably determined by the Administrative Agent).

" Real Estate Financing Facilities " means, collectively (a) the Existing Synthetic Lease Facility;

(b) any successor to the Existing Synthetic Lease Facility which refinances some or all of the same properties of the Borrower as the Existing Synthetic Lease Facility with rates of interest, yield and fees that may increase or decrease in accordance with then applicable market conditions; (c) one or more arrangements that provide financing for any real property of the Borrower or its Subsidiaries, that impose no Liens other than on the real property financed by such arrangements, which are on such terms and

conditions as are reasonable and customary for such transactions, and which create obligations with an Attributable Indebtedness of not more than the fair market value of the properties so financed; provided that any operating lease other than those described in clauses (a), (b) and (c) above shall not be treated as a Real Estate Financing Facility for the purposes of this Agreement.

" Recipient " means the Administrative Agent, any Lender, any L/C Issuer or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder.

" Register " has the meaning set forth in Section 11.06(c).

" Related Parties " means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

" Reportable Event " means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30-day notice period has been waived.

" Request for Credit Extension " means (a) with respect to a Borrowing, conversion or continuation of Committed Loans, a Committed Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application, and (c) with respect to a Swing Line Loan, a Swing Line Loan Notice.

" Required Lenders " means, as of any date of determination, Lenders having more than 50% of the Aggregate Commitments or, if the commitment of each Lender to make Loans and the obligation of the L/C Issuers to make L/C Credit Extensions have been terminated pursuant to Section 9.02, Lenders holding in the aggregate more than 50% of the Total Outstandings (with the aggregate amount of each Lender's risk participation and funded participation in L/C Obligations and Swing Line Loans being deemed "held" by such Lender for purposes of this definition); provided that the Commitment of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

" Responsible Officer " means the chief executive officer, president, chief financial officer, treasurer, assistant treasurer or corporate controller of a Loan Party, and, solely for purposes of notices given pursuant to Article II, any other officer or employee of the applicable Loan Party so designated by the chief financial officer, treasurer or assistant treasurer in a notice to the Administrative Agent, or any other officer or employee of the applicable Loan Party designated in or pursuant to an agreement between the applicable Loan Party and the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

" Restricted Payment " means any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock or other equity interest of 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 capital stock or other equity interest or of any option, warrant or other right to acquire any such capital stock or other equity interest; provided that any repayment, put or call of a Convertible Debenture shall not be treated as a Restricted Payment for purposes of this Agreement.

" Revaluation Date " means (a) with respect to any Loan, each of the following: (i) each date of a Borrowing of a Eurocurrency Rate Loan denominated in an Alternative Currency, (ii) each date of a continuation of a Eurocurrency Rate Loan denominated in an Alternative Currency pursuant to Section 2.02, and (iii) such additional dates as the Administrative Agent shall determine or the Required Lenders shall require; and (b) with respect to any Letter of Credit, each of the following: (i) each date of issuance of a Letter of Credit denominated in an Alternative Currency, (ii) each date of an amendment of any such Letter of Credit having the effect of increasing the amount thereof (solely with respect to the increased amount), (iii) each date of any payment by an L/C Issuer under any Letter of Credit denominated in an Alternative Currency, (iv) in the case of the Existing Letters of Credit, the Closing Date, and (v) such additional dates as the Administrative Agent or and L/C Issuer shall determine or the Required Lenders shall require.

" Same Day Funds " means (a) with respect to disbursements and payments in Dollars, immediately available funds, and (b) with respect to disbursements and payments in an Alternative Currency, same day or other funds as may be determined by the Administrative Agent to be customary in the place of disbursement or payment for the settlement of international banking transactions in the relevant Alternative Currency.

" Sanctioned Person " has the meaning specified in Section 6.20.

" Sanction(s) " means any sanction administered or enforced by the United States Government (including without limitation, OFAC), the United Nations Security Council, the European Union or Her Majesty's Treasury ("HMT") of the United Kingdom.

" S&P " means Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc. and any successor thereto.

" SEC " means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

" Shareholders' Equity " means, as of any date of determination, consolidated shareholders' equity of the Borrower and its Subsidiaries as of that date determined in accordance with GAAP.

" Shelf Registration Statement " has the meaning specified in Section 8.09.

" Significant Subsidiary " means any Domestic Subsidiary which has total assets (on a consolidated basis with its Subsidiaries) of more than 5% of the total assets of the Borrower (on a consolidated basis with the Borrower's Subsidiaries).

" Solvent " or " Solvency " means, with respect to any Person as of a particular date, that on such date

(a) such Person is able to pay its debts and other liabilities, contingent obligations and other commitments as they mature in the ordinary course of business, (b) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature in their ordinary course, (c) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's Property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such Person is engaged or is to engage, (d) the fair value of the Property of such Person is greater than the total amount of liabilities,

including, without limitation, contingent liabilities, of such Person and (e) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured. In computing the amount of contingent liabilities at any time, it is intended that such liabilities will be computed at the amount which, in 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.

" Special Notice Currency " means at any time an Alternative Currency, other than the currency of a country that is a member of the Organization for Economic Cooperation and Development at such time and is located in North America or Europe.

" Special Purpose Finance Subsidiary " means any Subsidiary of the Borrower created solely for the purposes of, and whose sole activity shall consist of, acquiring and financing accounts receivable of the Borrower and its Subsidiaries pursuant to a Permitted Trade Receivables Facility.

" Spot Rate " for a currency means the rate determined by the Administrative Agent or an L/C Issuer, as applicable, to be the rate quoted by the Person acting in such capacity as the spot rate for the purchase by such Person of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two Business Days prior to the date as of which the foreign exchange computation is made; provided that the Administrative Agent or an L/C Issuer may obtain such spot rate from another financial institution designated by the Administrative Agent or an L/C Issuer if the Person acting in such capacity does not have as of the date of determination a spot buying rate for any such currency; and provided further that an L/C Issuer may use such spot rate quoted on the date as of which the foreign exchange computation is made in the case of any Letter of Credit denominated in an Alternative Currency.

" Sterling " and "£" mean the lawful currency of the United Kingdom.

" Subsidiary " of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower.

" Swap Contract " means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and

(b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master

agreement (any such master agreement, together with any related schedules, a " Master Agreement "), including any such obligations or liabilities under any Master Agreement.

" Swap Termination Value " means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and

termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

" Swing Line " means the revolving credit facility made available by the Swing Line Lender pursuant to Section 2.04 .

" Swing Line Borrowing " means a borrowing of a Swing Line Loan pursuant to Section 2.04 .

" Swing Line Lender " means Bank of America in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

" Swing Line Loan " has the meaning specified in Section 2.04(a) .

" Swing Line Loan Notice " means a notice of a Swing Line Borrowing pursuant to Section 2.04(b) , which, if in writing, shall be substantially in the form of Exhibit B or such other form as approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

" Swing Line Sublimit " means an amount equal to the lesser of (a) \$125,000,000 and (b) the Aggregate Commitments. The Swing Line Sublimit is part of, and not in addition to, the Aggregate Commitments.

" TARGET2 " means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on November 19, 2007.

" TARGET Day " means any day on which TARGET2 (or, if such payment system ceases to be operative, such other payment system, if any, determined by the Administrative Agent to be a suitable replacement) is open for the settlement of payments in Euro.

" 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.

" Tech Data Indenture " means any existing or future indenture between the Borrower and a trustee relating to the offering of Convertible Debentures.

" Threshold Amount " means \$100,000,000.

" Total Outstandings " means the aggregate Outstanding Amount of all Loans and all L/C Obligations.

" Type " means, with respect to a Committed Loan, its character as a Base Rate Loan or a Eurocurrency Rate Loan.

" United States " and " U.S. " mean the United States of America.

" Unreimbursed Amount " has the meaning set forth in Section 2.03(c)(i) .

" U.S. Person " means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

" U.S. Tax Compliance Certificate " has the meaning specified in Section 3.01(e)(ii)(B)(III) .

1.2 Other Interpretive Provisions . With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) 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, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "hereto", "herein", "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) 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.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.3 Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. All obligations of any Person that are or would be characterized as operating lease obligations in accordance with GAAP on the Closing Date (whether or not such operating lease obligations were in effect on such date) shall continue to be accounted for as operating lease obligations (and not as capitalized lease obligations) for purposes of this Agreement regardless of any change in GAAP following the Closing Date that would otherwise require such obligations to be recharacterized (on a prospective or retroactive basis or otherwise) as capitalized lease obligations.

(c) Calculations. Notwithstanding the above, the parties hereto acknowledge and agree that calculations of Consolidated EBITDA shall be made on a Pro Forma Basis.

1.4 Exchange Rates; Currency Equivalents.

(a) The Administrative Agent or an L/C Issuer, as applicable, shall determine the Spot Rates as of each Revaluation Date to be used for calculating Dollar Equivalent amounts of Credit Extensions and Outstanding Amounts denominated in Alternative Currencies. Such Spot Rates shall become effective as of such Revaluation Date and shall be the Spot Rates employed in converting any amounts between the applicable currencies until the next Revaluation Date to occur. Except for purposes of financial statements delivered by Loan Parties hereunder or calculating financial covenants hereunder or except as otherwise provided herein, the applicable amount of any currency (other than Dollars) for purposes of the Loan Documents shall be such Dollar Equivalent amount as so determined by the Administrative Agent or an L/C Issuer, as applicable.

(b) Wherever in this Agreement in connection with a Committed Borrowing, conversion, continuation or prepayment of a Eurocurrency Rate Loan or the issuance, amendment or extension of a Letter of Credit, an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such Committed Borrowing, Eurocurrency Rate Loan or Letter of Credit is denominated in an Alternative

Currency, such amount shall be the relevant Alternative Currency Equivalent of such Dollar amount (rounded to the nearest unit of such Alternative Currency, with 0.5 of a unit being rounded upward), as determined by the Administrative Agent or the applicable L/C Issuer, as the case may be.

(c) The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of "Eurocurrency Rate" or with respect to any comparable or successor rate thereto, other than in the case of its own gross negligence or willful misconduct with respect to such administration, submission or other matter related to the "Eurocurrency Rate", as determined by a court of competent jurisdiction by a final and nonappealable judgment.

1.5 Additional Alternative Currencies

(a) The Borrower may from time to time request that Eurocurrency Rate Loans be made and/or Letters of Credit be issued in a currency other than those specifically listed in the definition of "Alternative Currency;" provided that such requested currency is a lawful currency (other than Dollars) that is readily available and freely transferable and convertible into Dollars. In the case of any such request with respect to the making of Eurocurrency Rate Loans, such request shall be subject to the approval of the Administrative Agent and the Lenders; and in the case of any such request with respect to the issuance of Letters of Credit, such request shall be subject to the approval of the Administrative Agent and the applicable L/C Issuer.

(b) Any such request shall be made to the Administrative Agent not later than 11:00 a.m., 20 Business Days prior to the date of the desired Credit Extension (or such other time or date as may be agreed by the Administrative Agent and, in the case of any such request pertaining to Letters of Credit, the applicable L/C Issuer, in its or their sole discretion). In the case of any such request pertaining to Eurocurrency Rate Loans, the Administrative Agent shall promptly notify each Lender thereof; and in the case of any such request pertaining to Letters of Credit, the Administrative Agent shall promptly notify the L/C Issuers thereof. Each Lender (in the case of any such request pertaining to Eurocurrency Rate Loans) or the L/C Issuers (in the case of a request pertaining to Letters of Credit) shall notify the Administrative Agent, not later than 11:00 a.m., ten Business Days after receipt of such request whether it consents, in its sole discretion, to the making of Eurocurrency Rate Loans or the issuance of Letters of Credit, as the case may be, in such requested currency.

(c) Any failure by a Lender or an L/C Issuer, as the case may be, to respond to such request within the time period specified in the preceding sentence shall be deemed to be a refusal by such Lender or such L/C Issuer, as the case may be, to permit Eurocurrency Rate Loans to be made or Letters of Credit to be issued in such requested currency. If the Administrative Agent and all the Lenders consent to making Eurocurrency Rate Loans in such requested currency, the Administrative Agent shall so notify the Borrower and such currency shall thereupon be deemed

for all purposes to be an Alternative Currency hereunder for purposes of any Committed Borrowings of Eurocurrency Rate Loans; and if the Administrative Agent and the L/C Issuers consent to the issuance of Letters of Credit in such requested currency, the Administrative Agent shall so notify the Borrower and such currency shall thereupon be deemed for all purposes to be an Alternative Currency hereunder for purposes of any Letter of Credit issuances. If the Administrative Agent shall fail to obtain consent to any request for an additional currency under this Section 1.05, the Administrative Agent shall promptly so notify the Borrower.

1.6 Change of Currency

(a) Each obligation of the Borrower to make a payment denominated in the national currency unit of any member state of the European Union that adopts the Euro as its lawful currency after the date hereof shall be redenominated into Euro at the time of such adoption (in accordance with the EMU Legislation). If, in relation to the currency of any such member state, the basis of accrual of interest expressed in this Agreement in respect of that currency shall be inconsistent with any convention or practice in the London interbank market for the basis of accrual of interest in respect of the Euro, such expressed basis shall be replaced by such convention or practice with effect from the date on which such member state adopts the Euro as its lawful currency; provided that if any Committed Borrowing in the currency of such member state is outstanding immediately prior to such date, such replacement shall take effect, with respect to such Committed Borrowing, at the end of the then current Interest Period.

(b) Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify to be appropriate to reflect the adoption of the Euro by any member state of the European Union and any relevant market conventions or practices relating to the Euro.

(c) Each provision of this Agreement also shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify to be appropriate to reflect a change in currency of any other country and any relevant market conventions or practices relating to the change in currency.

1.7 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

1.8 Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the Dollar Equivalent of the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the Dollar Equivalent of the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

ARTICLE II THE COMMITMENTS AND CREDIT EXTENSIONS

2.1 Committed Loans. Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans (each such loan, a "Committed Loan") to the Borrower in Dollars or in one or more Alternative Currencies from time to time, on any Business Day during the Availability Period, in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Commitment; provided, however, that after giving effect to any Committed Borrowing, (i) the Total Outstandings shall not exceed the Aggregate Commitments, and (ii) the aggregate Outstanding Amount of the Committed Loans of any Lender, plus such Lender's Pro Rata Share of the Outstanding Amount of all L/C Obligations, plus such Lender's Pro Rata Share of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Commitment. Within the limits of each Lender's Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01, repay, prepay under Section 2.05, and reborrow under this Section 2.01. Committed Loans may be Base Rate Loans or Eurocurrency Rate Loans, as further provided herein.

2.2 Borrowings, Conversions and Continuations of Committed Loans

(a) Each Committed Borrowing, each conversion of Committed Loans from one Type to the other, and each continuation of Eurocurrency Rate Loans shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by (A) telephone or (B) a Committed Loan Notice; provided that any telephonic notice must be confirmed promptly by delivery to the Administrative Agent of a Committed Loan Notice. Each such notice must be received by the Administrative Agent not later than 11:00 a.m. (i) three Business Days prior to the requested date of any Borrowing of, conversion to or continuation of Eurocurrency Rate Loans denominated in Dollars or of any conversion of Eurocurrency Rate Loans denominated in Dollars to Base Rate Committed Loans, (ii) four Business Days (or five Business Days in the case of a Special Notice Currency) prior to the requested date of any Borrowing or continuation of Eurocurrency Rate Loans denominated in Alternative Currencies, and (iii) on the requested date of any Borrowing of Base Rate Committed Loans; provided, however, that if the Borrower wishes to request Eurocurrency Rate Loans denominated in Singapore Dollars, Australian Dollars or Hong Kong Dollars, the applicable notice must be received by the Administrative Agent not later than six Business Days prior to the requested date of such Borrowing, conversion or continuation of Eurocurrency Rate Loans denominated in Singapore Dollars, Australian Dollars or Hong Kong Dollars, as applicable, whereupon the Administrative Agent shall give prompt notice to the Lenders of such request and determine whether each of them is able to fund its portion of the Borrowing denominated Singapore Dollars, Australian Dollars or Hong Kong Dollars, as applicable, at such time. Not later than 11:00 a.m., five Business Days prior to the requested date of such Borrowing, conversion or continuation of Eurocurrency Rate Loans denominated in Singapore Dollars, Australian Dollars or Hong Kong Dollars, as applicable, the Administrative Agent shall notify the Borrower (which notice may be by telephone) whether or not the requested Borrowing, conversion or continuation of Eurocurrency Rate Loans denominated in Singapore Dollars, Australian Dollars or Hong Kong Dollars, as applicable, has been consented to by all the Lenders. Each Borrowing of, conversion to or continuation of Eurocurrency Rate Loans shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof. Except as provided in Sections 2.03(c) and

2.04(c), each Committed Borrowing of or conversion to Base Rate Committed Loans shall be in a principal amount of \$5,000,000 or a whole multiple of \$100,000 in excess thereof. Each Committed Loan Notice (whether telephonic or written) shall specify (i) whether the Borrower is requesting a Committed Borrowing, a conversion of Committed Loans from one Type to the other, or a continuation of Eurocurrency Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Committed Loans to be borrowed, converted or continued, (iv) the Type of Committed Loans to be borrowed or to which existing Committed Loans are to be converted, (v) if applicable, the duration of the Interest Period with respect thereto, and (vi) the currency of the Committed Loans to be borrowed. If the Borrower fails to specify a currency in a Committed Loan Notice requesting a Borrowing, then the Committed Loans so requested shall be made in Dollars. If the Borrower fails to specify a Type of Committed Loan in a Committed Loan Notice or if the Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Committed Loans shall be made as, or converted to, Base Rate Loans; provided, however, that in the case of a failure to timely request a continuation of Committed Loans denominated in an Alternative Currency, such Loans shall be continued as Eurocurrency Rate Loans in their original currency with an

Interest Period of one month. Any automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurocurrency Rate Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Eurocurrency Rate Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. No Committed Loan may be converted into or continued as a Committed Loan denominated in a different currency, but instead must be prepaid in the original currency of such Committed Loan and reborrowed in the other currency.

(b) Following receipt of a Committed Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount (and currency) of its Pro Rata Share of the applicable Committed Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans or continuation of Committed Loans denominated in a currency other than Dollars, in each case as described in the preceding subsection. In the case of a Committed Borrowing, each Lender shall make the amount of its Committed Loan available to the Administrative Agent in Same Day Funds at the Administrative Agent's Office for the applicable currency not later than 1:00 p.m., in the case of any Committed Loan denominated in Dollars, and not later than the Applicable Time specified by the Administrative Agent in the case of any Committed Loan in an Alternative Currency, in each case on the Business Day specified in the applicable Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 5.02, the Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Borrower; provided, however, that if, on the date the Committed Loan Notice with respect to such Borrowing denominated in Dollars is given by the Borrower, there are L/C Borrowings outstanding, then the proceeds of such Borrowing, first, shall be applied to the payment in full of any such L/C Borrowings, and, second, shall be made available to the Borrower as provided above.

(c) Except as otherwise provided herein, a Eurocurrency Rate Loan may be continued or converted only on the last day of an Interest Period for such Eurocurrency Rate Loan. During the existence of a Default, no Loans may be requested as, converted to or continued as Eurocurrency Rate Loans (whether in Dollars or any Alternative Currency) without the consent of the Required Lenders, and the Required Lenders may demand that any or all of the then outstanding Eurocurrency Rate Loans denominated in an Alternative Currency be prepaid, or redenominated into Dollars in the amount of the Dollar Equivalent thereof, on the last day of the then current Interest Period with respect thereto.

(d) The Administrative Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurocurrency Rate Loans upon determination of such interest rate. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the Borrower and the Lenders of any change in Bank of America's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(e) After giving effect to all Committed Borrowings, all conversions of Committed Loans from one Type to the other, and all continuations of Committed Loans as the same Type, there shall not be more than ten Interest Periods in effect with respect to Committed Loans.

(f) Notwithstanding anything to the contrary in this Agreement, any Lender may exchange, continue or rollover all of the portion of its Loans in connection with any refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to a cashless settlement mechanism approved by the Borrower, the Administrative Agent, and such Lender.

2.3 Letters of Credit.

(a) The Letter of Credit Commitment.

(i) Subject to the terms and conditions set forth herein, (A) each L/C Issuer agrees, in reliance upon the agreements of the Lenders set forth in this Section 2.03, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit denominated in Dollars or in one or more Alternative Currencies for the account of the Borrower, and to amend or extend. Letters of Credit previously issued by it, in accordance with subsection (b) below, and (2) to honor drawings under the Letters of Credit; and (B) the Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (w) the Total Outstandings shall not exceed the Aggregate Commitments, (x) the aggregate Outstanding Amount of the Committed Loans of any Lender, plus such Lender's Pro Rata Share of the Outstanding Amount of all L/C Obligations, plus such Lender's Pro Rata Share of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Commitment, (y) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit

Sublimit and (z) the Outstanding Amount of all L/C Obligations of any L/C Issuer shall not exceed such L/C Issuer's L/C Commitment without such L/C Issuer's consent. Each request by the Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. All Existing Letters of Credit shall be deemed to have been issued pursuant hereto, and from and after the Closing Date shall be subject to and governed by the terms and conditions hereof.

(ii) An L/C Issuer shall not issue any Letter of Credit, if:

(A) subject to Section 2.03(b)(iii), the expiry date of such requested Letter of Credit would occur more than twelve months after the date of issuance or last extension, unless the Required Lenders have approved such expiry date; or

(B) the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless all the Lenders have approved such expiry date.

(iii) An L/C Issuer shall not be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain an L/C Issuer from issuing such Letter of Credit, or any Law applicable to an L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over an L/C Issuer shall prohibit, or request that an L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon an L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which an L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon an L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which an L/C Issuer in good faith deems material to it;

(B) the issuance of such Letter of Credit would violate one or more policies of such L/C Issuer;

(C) except as otherwise agreed by the Administrative Agent and such L/C Issuer, such Letter of Credit is in an initial stated amount less than

\$100,000;

(D) except as otherwise agreed by the Administrative Agent and such L/C Issuer, such Letter of Credit is to be denominated in a currency other than Dollars or an Alternative Currency;

(E) such L/C Issuer does not as of the issuance date of such requested Letter of Credit issue Letters of Credit in the requested currency;

(F) such Letter of Credit contains any provisions for automatic reinstatement of the stated amount after any drawing thereunder; or

(G) any Lender is at that time a Defaulting Lender, unless the applicable L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to such L/C Issuer (in its sole discretion) with the Borrower or such Lender to eliminate such L/C Issuer's actual or potential Fronting Exposure (after giving effect to Section 2.16(a)(iv)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which such L/C Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion.

(iv) An L/C Issuer shall not amend any Letter of Credit if such L/C Issuer would not be permitted at such time to issue such Letter of Credit in its amended form under the terms hereof.

(v) An L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) such L/C Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(vi) An L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and such L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article X with respect to any acts taken or omissions suffered by such L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article X included such L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to such L/C Issuer.

(b) Procedures for Issuance and Amendment of Letters of Credit: Auto-Extension Letters of Credit.

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Borrower delivered to an L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Borrower. Such Letter of Credit Application may be sent by facsimile, by United States mail, by overnight courier, by

electronic transmission using the system provided by the applicable L/C Issuer, by personal delivery or by any other means acceptable to such L/C Issuer. Such Letter of Credit Application must be received by an L/C Issuer and the Administrative Agent not later than 11:00 a.m. at least two Business Days (or such later date and time as the Administrative Agent and the applicable L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the applicable L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount and currency thereof; (C) the expiry date thereof;

(D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit; and (H) such other matters as the applicable L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the applicable L/C Issuer (A) the Letter of Credit to be amended; (B) the proposed date of amendment thereof (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as the applicable L/C Issuer may require. Additionally, the Borrower shall furnish to the applicable L/C Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as such L/C Issuer or the Administrative Agent may require.

(ii) Promptly after receipt of any Letter of Credit Application, the applicable L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the Borrower and, if not, such L/C Issuer will provide the Administrative Agent with a copy thereof. Unless such L/C Issuer has received written notice from any Lender, the Administrative Agent or any Loan Party, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article V shall not then be satisfied, then, subject to the terms and conditions hereof, such L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the Borrower or enter into the applicable amendment, as the case may be, in each case in accordance with such L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from such L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Pro Rata Share times the amount of such Letter of Credit.

(iii) If the Borrower so requests in any applicable Letter of Credit Application, the applicable L/C Issuer may, in its sole and absolute discretion, agree to issue a Letter of Credit that has automatic extension provisions (each, an " Auto-Extension Letter of Credit "); provided that any such Auto-Extension Letter of Credit must permit such L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the " Non-Extension Notice Date ") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by an L/C Issuer, the Borrower shall not be required to make a specific request to such L/C Issuer for any such extension. Once an

Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) an L/C Issuer to

permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; provided, however, that an L/C Issuer shall not permit any such extension if (A) such L/C Issuer has determined that it would not be permitted, or would have no obligation, at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (ii) or (iii) of Section 2.03(a) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is seven Business Days before the Non-Extension Notice Date (1) from the Administrative Agent that the Required Lenders have elected not to permit such extension or (2) from the Administrative Agent, any Lender or the Borrower that one or more of the applicable conditions specified in Section 5.02 is not then satisfied, and in each such case directing such L/C Issuer not to permit such extension.

(iv) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the applicable L/C Issuer will also deliver to the Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(c) Drawings and Reimbursements: Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, an L/C Issuer shall notify the Borrower and the Administrative Agent thereof. In the case of a Letter of Credit denominated in an Alternative Currency, the Borrower shall reimburse the applicable L/C Issuer in such Alternative Currency, unless (A) such L/C Issuer (at its option) shall have specified in such notice that it will require reimbursement in Dollars, or (B) in the absence of any such requirement for reimbursement in Dollars, the Borrower shall have notified such L/C Issuer promptly following receipt of the notice of drawing that the Borrower will reimburse such L/C Issuer in Dollars. In the case of any such reimbursement in Dollars of a drawing under a Letter of Credit denominated in an Alternative Currency, the applicable L/C Issuer shall notify the Borrower of the Dollar Equivalent of the amount of the drawing promptly following the determination thereof. Not later than 11:00 a.m. on the date of any payment by an L/C Issuer under a Letter of Credit to be reimbursed in Dollars, or the Applicable Time on the date of any payment by an L/C Issuer under a Letter of Credit to be reimbursed in an Alternative Currency (each such date, an "Honor Date"), the Borrower shall reimburse the applicable L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing and in the applicable currency. If the Borrower fails to so reimburse the applicable L/C Issuer by such time, the Administrative Agent shall promptly notify each Lender of the Honor Date, the amount of the unreimbursed drawing (expressed in Dollars in the amount of the Dollar Equivalent thereof in the case of a Letter of Credit denominated in an Alternative Currency) (the "Unreimbursed Amount"), and the amount of such Lender's Pro Rata Share thereof. In such event, the Borrower shall be deemed to have requested a Committed Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans, but subject to the amount of the unutilized portion of the Aggregate Commitments and the conditions set forth in Section 5.02 (other than the delivery of a Committed Loan Notice). Any notice given by an L/C Issuer or the Administrative Agent pursuant to this

Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Lender shall upon any notice pursuant to Section 2.03(c)(i) make funds available (and the Administrative Agent may apply Cash Collateral for this purpose) to the Administrative Agent for the account of the applicable L/C Issuer, in Dollars, at the Administrative Agent's Office for Dollar-denominated payments in an amount equal to its Pro Rata Share of the Unreimbursed Amount not later than 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.03(c)(iii), each Lender that so makes funds available shall be deemed to have made a Base Rate Committed Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the applicable L/C Issuer in Dollars.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Committed Borrowing of Base Rate Loans because the conditions set forth in Section 5.02 cannot be satisfied or for any other reason, the Borrower shall be deemed to have incurred from the applicable L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Lender's payment to the Administrative Agent for the account of the applicable L/C Issuer pursuant to Section 2.03(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

(iv) Until each Lender funds its Committed Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse the applicable L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Pro Rata Share of such amount shall be solely for the account of such L/C Issuer.

(v) Each Lender's obligation to make Committed Loans or L/C Advances to reimburse the applicable L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against such L/C Issuer, the Borrower, any Subsidiary or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default; or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Committed Loans pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 5.02 (other than delivery by the Borrower of a Committed Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower to reimburse the applicable L/C Issuer for the amount of any payment made by such L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Lender fails to make available to the Administrative Agent for the account of an L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii), then, without limiting the other provision of this Agreement, such L/C Issuer shall be

entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to such L/C Issuer at a rate per annum equal to the applicable Overnight Rate from time to time in effect, plus any administrative, processing or similar fees customarily charged by such L/C Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Committed Loan included in the relevant Committed Borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of the applicable L/C Issuer submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (vi) shall be conclusive absent manifest error.

(d) Repayment of Participations.

(i) At any time after an L/C Issuer has made a payment under any Letter of Credit and has received from any Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.03(c), if the Administrative Agent receives for the account of such L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Pro Rata Share thereof in Dollars and in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of an L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by such L/C Issuer in its discretion), each Lender shall pay to the Administrative Agent for the account of such L/C Issuer its Pro Rata Share thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the applicable Overnight Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Obligations Absolute. The obligation of the Borrower to reimburse an L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other Loan Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that the Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), an L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) any payment by an L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by an L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law;

(v) any adverse change in the relevant exchange rates or in the availability of the relevant Alternative Currency to the Borrower or any Subsidiary or in the relevant currency markets generally;

(vi) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower or any Subsidiary;

(vii) waiver by the applicable L/C Issuer of any requirement that exists for the L/C Issuer's protection and not the protection of the Borrower or any waiver by the applicable L/C Issuer which does not in fact materially prejudice the Borrower;

(viii) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft; or

(ix) any payment made by the applicable L/C Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under, such Letter of Credit if presentation after such date is authorized by the UCC, the ISP or the UCP, as applicable.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will immediately notify the applicable L/C Issuer. The Borrower shall be conclusively deemed to have waived any such claim against an L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) Role of L/C Issuers. Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, an L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuers, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of an L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrower hereby assumes all

risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuers, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of an L/C Issuer shall be liable or responsible for any of the matters described in clauses (i) through (v) of Section 2.03(e); provided, however, that anything in such clauses to the contrary notwithstanding, the Borrower may have a claim against an L/C Issuer, and such L/C Issuer may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which the Borrower proves were caused by such L/C Issuer's willful misconduct or gross negligence or such L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, an L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and such L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

(g) Applicability of ISP; Limitation of Liability. Unless otherwise expressly agreed by the applicable L/C Issuer and the Borrower when a Letter of Credit is issued (including any such agreement applicable to an Existing Letter of Credit), the rules of the ISP shall apply to each Letter of Credit. Notwithstanding the foregoing, no L/C Issuer shall be responsible to the Borrower for, and each L/C Issuer's rights and remedies against the Borrower shall not be impaired by, any action or inaction of such L/C Issuer required or permitted under any law, order, or

practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where such L/C Issuer or the beneficiary is located, the practice stated in the ISP, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade - International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

(h) Letter of Credit Fees. The Borrower shall pay to the Administrative Agent for the account of each Lender in accordance with its Pro Rata Share, in Dollars, a Letter of Credit fee (the "Letter of Credit Fee") for each Letter of Credit equal to the Applicable Rate times the Dollar Equivalent of the daily amount available to be drawn under such Letter of Credit. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.09. Letter of Credit Fees shall be (i) computed on a quarterly basis in arrears and (ii) due and payable on the last Business Day of each February, May, August and November, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. If there is any change in the Applicable Rate during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. Notwithstanding anything to the contrary contained herein, upon the request of the Required Lenders, while any Event of Default exists, all Letter of Credit Fees shall accrue at the Default Rate.

(i) Fronting Fee and Documentary and Processing Charges Payable to L/C Issuer. The Borrower shall pay directly to the applicable L/C Issuer for its own account, in Dollars, a fronting fee with respect to each Letter of Credit, at the rate per annum as agreed to between the Borrower and such L/C Issuer, computed on the Dollar Equivalent of the daily amount available to be drawn under such Letter of Credit on a quarterly basis in arrears. Such fronting fee shall be due and payable on the tenth Business Day after the end of each February, May, August and November in respect of the most recently-ended quarterly period (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.08. In addition, the Borrower shall pay directly to the applicable L/C Issuer for its own account, in Dollars, the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of such L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(j) Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

(k) Reporting of Letter of Credit Information. On (i) the last Business Day of each calendar month, and (ii) each date that an L/C Credit Extension occurs with respect to any Letter of Credit, each L/C Issuer shall deliver to the Administrative Agent a report in the form of Exhibit G hereto, appropriately completed with the information for every Letter of Credit issued by such L/C Issuer that is outstanding hereunder.

2.4 Swing Line Loans

(a) The Swing Line. Subject to the terms and conditions set forth herein, the Swing Line Lender agrees, in reliance upon the agreements of the other Lenders set forth in this Section 2.04, to make loans in Dollars (each such loan, a "Swing Line Loan") to the Borrower from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit, notwithstanding the fact that such Swing Line Loans, when aggregated with the Pro Rata Share of the Outstanding Amount of Committed Loans and L/C Obligations of the Lender acting as Swing Line Lender, may exceed the amount of such Lender's Commitment; provided, however, that after giving effect to any Swing Line Loan, (i) the Total Outstandings shall not exceed the Aggregate Commitments, and (ii) the aggregate Outstanding Amount of the Committed Loans of any Lender, plus such Lender's Pro Rata Share of the Outstanding Amount of all L/C Obligations, plus such Lender's Pro Rata Share of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Commitment, and provided, further, that the Borrower shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swing Line Loan shall be a Base Rate Loan or shall bear interest at such other rate mutually agreeable to the

Swing Line Lender and the Borrower. Immediately upon the making of a Swing Line Loan, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Lender's Pro Rata Share times the amount of such Swing Line Loan.

(b) Borrowing Procedures. Each Swing Line Borrowing shall be made upon the Borrower's irrevocable notice to the Swing Line Lender and the Administrative Agent, which may be given by (A) telephone or (B) by a Swing line Loan Notice; provided that any telephonic

notice must be confirmed promptly by delivery to the Swing line Lender and the Administrative Agent of a Swing Line Loan Notice. Each such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum of \$250,000, and (ii) the requested borrowing date, which shall be a Business Day. Promptly after receipt by the Swing Line Lender of any telephonic Swing Line Loan Notice or Swing Line Notice given by e-mail, the Swing Line Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swing Line Loan Notice and, if not, the Swing Line Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless the Swing Line Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Lender) prior to 2:00 p.m. on the date of the proposed Swing Line Borrowing (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the first proviso to the first sentence of Section 2.04(a), or (B) that one or more of the applicable conditions specified in Article V is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 3:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the Borrower at its office by crediting the account of the Borrower on the books of the Swing Line Lender in Same Day Funds.

(c) Refinancing of Swing Line Loans.

(iii) The Swing Line Lender at any time in its sole and absolute discretion may request, on behalf of the Borrower (which hereby irrevocably authorizes the Swing Line Lender to so request on its behalf), that each Lender make a Base Rate Committed Loan in an amount equal to such Lender's Pro Rata Share of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Committed Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Aggregate Commitments and the conditions set forth in Section 5.02. The Swing Line Lender shall furnish the Borrower with a copy of the applicable Committed Loan Notice promptly after delivering such notice to the Administrative Agent. Each Lender shall make an amount equal to its Pro Rata Share of the amount specified in such Committed Loan Notice available to the Administrative Agent in Same Day Funds (and the Administrative Agent may apply Cash Collateral available with respect to the applicable Swing Line Loan) for the account of the Swing Line Lender at the Administrative Agent's Office for Dollar-denominated payments not later than 1:00 p.m. on the day specified in such Committed Loan Notice, whereupon,

subject to Section 2.04(c)(ii), each Lender that so makes funds available shall be deemed to have made a Base Rate Committed Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the Swing Line Lender.

(iv) If for any reason any Swing Line Loan cannot be refinanced by such a Committed Borrowing in accordance with Section 2.04(c)(i), the request for Base Rate Committed Loans submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Lenders fund its risk participation in the relevant Swing Line Loan and each Lender's payment to the Administrative Agent for the account of the Swing Line Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(v) If any Lender fails to make available to the Administrative Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the applicable Overnight Rate from time to time in effect, plus any administrative, processing or similar fees customarily charged by the Swing Line Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Committed Loan included in the relevant Committed Borrowing or funded participation in the relevant Swing Line Loan, as the case may be. A certificate of the Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(vi) Each Lender's obligation to make Committed Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Swing Line Lender, the Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Committed Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 5.02. No such funding of risk participations shall relieve or otherwise impair the obligation of the Borrower to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations.

(x) At any time after any Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Lender its Pro Rata Share of such payment (appropriately adjusted, in the case of interest

payments, to reflect the period of time during which such Lender's risk participation was funded) in the same funds as those received by the Swing Line Lender.

(xi) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Lender shall pay to the Swing Line Lender its Pro Rata Share thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the applicable Overnight Rate. The Administrative Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the Borrower for interest on the Swing Line Loans. Until each Lender funds its Base Rate Committed Loan or risk participation pursuant to this Section 2.04 to refinance such Lender's Pro Rata Share of any Swing Line Loan, interest in respect of such Pro Rata Share shall be solely for the account of the Swing Line Lender.

(f) Payments Directly to Swing Line Lender. The Borrower shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

2.5 Prepayments

(a) The Borrower may, upon notice from the Borrower to the Administrative Agent, at any time or from time to time voluntarily prepay Committed Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Administrative Agent not later than 11:00 a.m. (A) three Business Days prior to any date of prepayment of Eurocurrency Rate Loans denominated in Dollars, (B) four Business Days (or five, in the case of prepayment of Loans denominated in Special Notice Currencies) prior to any date of prepayment of Eurocurrency Rate Loans denominated in Alternative Currencies, and (C) on the date of prepayment of Base Rate Committed Loans; (ii) any prepayment of Eurocurrency Rate Loans denominated in Dollars shall be in a principal amount of \$5,000,000 or a whole multiple of

\$1,000,000 in excess thereof, (iii) any prepayment of Eurocurrency Rate Loans denominated in Alternative Currencies shall be in a minimum principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof, and (iv) any prepayment of Base Rate Committed Loans shall be in a principal amount of \$5,000,000 or a whole multiple of \$100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding; provided further that such notice may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified prepayment date) if such condition is not satisfied. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Committed Loans to be prepaid and, if Eurocurrency Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Pro Rata Share of such prepayment. If such notice is given by the

Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurocurrency Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Each such prepayment shall be applied to the Committed Loans of the Lenders in accordance with their respective Pro Rata Shares.

(b) The Borrower may, upon notice to the Swing Line Lender (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the date of the prepayment, and (ii) any such prepayment shall be in a minimum principal amount of \$250,000; provided further that such notice may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified prepayment date) if such condition is not satisfied. Each such notice shall specify the date and amount of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(c) If the Administrative Agent notifies the Borrower at any time that the Total Outstandings at such time exceed an amount equal to

the Aggregate Commitments then in effect, then, within two Business Days after receipt of such notice, the Borrower shall prepay Loans and/or the Borrower shall Cash Collateralize the L/C Obligations in an aggregate amount sufficient to reduce such Outstanding Amount as of such date of payment to an amount not to exceed the Aggregate Commitments then in effect; provided, however, that, subject to the provisions of Section 2.15, the Borrower shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(c) unless after the prepayment in full of the Loans the Total Outstandings exceed the Aggregate Commitments then in effect. The Administrative Agent may, at any time and from time to time after the initial deposit of such Cash Collateral, request that additional Cash Collateral be provided in order to protect against the results of further exchange rate fluctuations.

2.6 Termination or Reduction of Commitments. The Borrower may, upon notice to the Administrative Agent, terminate the Aggregate Commitments, or from time to time permanently reduce the Aggregate Commitments; provided that (i) any such notice shall be received by the Administrative Agent not later than 11:00 a.m. five Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of \$10,000,000 or any whole multiple of

\$1,000,000 in excess thereof, (iii) the Borrower shall not terminate or reduce the Aggregate Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Outstandings would exceed the Aggregate Commitments, and (iv) the amount of any such Aggregate Commitment reduction shall not be applied to the Letter of Credit Sublimit or the Swing Line Sublimit unless (a) otherwise specified by the Borrower or (b) if, after giving effect to any reduction of the Aggregate Commitments, the Letter of Credit Sublimit or the Swing Line Sublimit exceeds the amount of the Aggregate Commitments, such Sublimit shall be automatically reduced by the amount of such excess; provided further that such notice may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified prepayment date) if such condition is not satisfied. The Administrative

Agent will promptly notify the Lenders of any such notice of termination or reduction of the Aggregate Commitments. Any reduction of the Aggregate Commitments shall be applied to the Commitment of each Lender according to its Pro Rata Share. All fees accrued until the effective date of any termination of the Aggregate Commitments shall be paid on the effective date of such termination.

2.7 Repayment of Loans.

(a) The Borrower shall repay to the Lenders on the Maturity Date the aggregate principal amount of Committed Loans made to the Borrower outstanding on such date together with all other amounts owing under this Agreement.

(b) The Borrower shall repay each Swing Line Loan on the earlier to occur of (i) the date ten Business Days after such Loan is made and (ii) the Maturity Date.

2.8 Interest.

(a) Subject to the provisions of subsection (b) below, (i) each Eurocurrency Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurocurrency Rate for such Interest Period plus the Applicable Rate;

(ii) each Base Rate Committed Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate; and (iii) each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to (A) the Base Rate plus the Applicable Rate or (B) such other rate mutually agreeable to the Swing Line Lender and the Borrower.

(b) (i) If any amount of principal of any Loan is not paid when due, whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) If any amount (other than principal of any Loan) payable by the Borrower under any Loan Document is not paid when due, whether at stated maturity, by acceleration or otherwise, then upon the request of the Required Lenders, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iii) Upon the request of the Required Lenders, while any Event of Default exists, the Borrower shall pay interest on the principal amount of all outstanding past due Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iv) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable

upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.9 Fees. In addition to certain fees described in subsections (h) and (i) of Section 2.03:

(a) Facility Fee. The Borrower shall pay to the Administrative Agent for the account of each Lender in accordance with its Pro Rata Share, a facility fee in Dollars equal to the Applicable Rate times the actual daily amount of the Aggregate Commitments (or, if the Aggregate Commitments have terminated, on the Outstanding Amount of all Committed Loans, Swing Line Loans and L/C Obligations), regardless of usage (the "Facility Fee"). The Facility Fee shall accrue at all times during the Availability Period (and thereafter so long as any Committed Loans, Swing Line Loans or L/C Obligations remain outstanding), including at any time during which one or more of the conditions in Article V is not met, and shall be due and payable quarterly in arrears on the last Business Day of each February, May, August and November, commencing with the first such date to occur after the Closing Date, and on the Maturity Date (and, if applicable, thereafter on demand). The Facility Fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Rate during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect.

(b) Other Fees.

(i) The Borrower shall pay to the Arranger and the Administrative Agent for their own respective accounts, in Dollars, fees in the amounts and at the times specified in the Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

(ii) The Borrower shall pay to the Lenders, in Dollars, such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.10 Computation of Interest and Fees. All computations of interest for Base Rate Loans (including Base Rate Loans determined by references to the Eurocurrency Rate) and Eurocurrency Rate Loans denominated in Sterling shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year), or, in the case of interest in respect of Committed Loans denominated in Alternative Currencies as to which market practice differs from the foregoing, in accordance with such market practice. Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to

Section 2.12(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

2.11 Evidence of Debt.

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender to a Borrower made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Note, which shall evidence such Lender's Loans to the Borrower in addition to such accounts or records. Each Lender may attach schedules to a Note and endorse thereon the date, Type (if applicable), amount, currency and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in subsection (a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts

and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.12 Payments Generally; Administrative Agent's Clawback.

(a) General. All payments to be made by the Borrower shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein and except with respect to principal of and interest on Loans denominated in an Alternative Currency, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the applicable Administrative Agent's Office in Dollars and in Same Day Funds not later than 2:00 p.m. on the date specified herein. Except as otherwise expressly provided herein, all payments by the Borrower hereunder with respect to principal and interest on Loans denominated in an Alternative Currency shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the applicable Administrative Agent's Office in such Alternative Currency and in Same Day Funds not later than the Applicable Time specified by the Administrative Agent on the dates specified herein. Without limiting the generality of the foregoing, the Administrative Agent may require that any payments due under this Agreement be made in the United States. If, for any reason, the Borrower is prohibited by any Law from making any required payment hereunder in an Alternative Currency, the Borrower

shall make such payment in Dollars in the Dollar Equivalent of the Alternative Currency payment amount. The Administrative Agent will promptly distribute to each Lender its Pro Rata Share (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent (i) after 2:00 p.m., in the case of payments in Dollars, or (ii) after the Applicable Time specified by the Administrative Agent in the case of payments in an Alternative Currency, shall in each case be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed time of any Committed Borrowing of Eurocurrency Rate Loans (or, in the case of any Committed Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Committed Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Committed Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of a Committed Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, 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 Committed 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 in Same Day Funds 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 (A) in the case of a payment to be made by such Lender, the Overnight Rate, plus any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. 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. If such Lender pays its share of the applicable Committed Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Committed Loan included in such Committed Borrowing. 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.

(ii) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from a Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or an L/C Issuer hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or such L/C Issuer, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or an L/C Issuer, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or such L/C Issuer, in Same Day Funds

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 Overnight Rate.

A notice of the Administrative Agent to any Lender or Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender to the Borrower as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article V are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Committed Loans, to fund participations in Letters of Credit and Swing Line Loans and to make payments pursuant to Section 11.04(c) are several and not joint. The failure of any Lender to make any Committed Loan, to fund any such participation or to make any payment under Section 11.04(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 Committed Loan, to purchase its participation or to make its payment under Section 11.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.13 Sharing of Payments by Lenders. 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 the Committed Loans made by it, or the participations in L/C Obligations or in Swing Line Loans held by it resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Committed Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Committed Loans and subparticipations in L/C Obligations and Swing Line Loans 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 Committed Loans and other amounts owing them, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by a 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), (y) the application of Cash Collateral provided for in Section 2.15, or (z) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Committed Loans or subparticipations in L/C Obligations or Swing Line Loans to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this Section shall apply).

2.14 Increase in Commitments

(a) Request for Increase. Provided there exists no Default, upon notice to the Administrative Agent (which shall promptly notify the Lenders), the Borrower may from time to time, request an increase in the Aggregate Commitments by an amount (for all such requests) not exceeding \$250,000,000; provided that (i) any such request for an increase shall be in a minimum amount of \$25,000,000, (ii) the Borrower may make a maximum of five such requests and (iii) in no event shall the Aggregate Commitments exceed \$750,000,000 at any one time. At the time of sending such notice, the Borrower (in consultation with the Administrative Agent) shall specify the time period within which each Lender is requested to respond (which shall in no event be less than ten Business Days from the date of delivery of such notice to the Lenders).

(b) Lender Elections to Increase. Each Lender shall notify the Administrative Agent within such time period whether or not it agrees to increase its Commitment and, if so, whether by an amount equal to, greater than, or less than its Pro Rata Share of such requested increase. Any Lender not responding within such time period shall be deemed to have declined to increase its Commitment. No Lender shall have any obligation to increase its Commitment.

(c) Notification by Administrative Agent: Additional Lenders. The Administrative Agent shall notify the Borrower and each Lender of the Lenders' responses to each request made hereunder. To achieve the full amount of a requested increase and subject to the approval of the Administrative Agent and the L/C Issuers (which approvals shall not be unreasonably withheld), the Borrower may also invite additional Eligible Assignees to become Lenders pursuant to a joinder agreement in form and substance satisfactory to the Administrative Agent and its counsel.

(d) Effective Date and Allocations. If the Aggregate Commitments are increased in accordance with this Section, the Administrative

Agent and the Borrower shall determine the effective date (the "Increase Effective Date") and the final allocation of such increase. The Administrative Agent shall promptly notify the Borrower and the Lenders of the final allocation of such increase and the Increase Effective Date.

(e) Conditions to Effectiveness of Increase. As a condition precedent to such increase, the Borrower shall deliver to the Administrative Agent a certificate of each Loan Party dated as of the Increase Effective Date (in sufficient copies for each Lender) signed by a Responsible Officer of such Loan Party (i) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such increase, and (ii) in the case of the Borrower, certifying that, before and after giving effect to such increase, (A) the representations and

warranties contained in Article V and the other Loan Documents are true and correct in all material respects (unless such representation or warranty is already qualified by materiality or Material Adverse Effect, in which case it shall be true and correct in all respects) on and as of the Increase Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (unless such representation or warranty is already qualified by materiality or Material Adverse Effect, in which case it shall be true and correct in all respects) as of such earlier date, and except that for purposes of this Section 2.14, the representations and warranties contained in subsections (a) and (b) of Section 6.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 7.01, and (B) no Default exists. The Borrower shall prepay any Committed Loans outstanding on the Increase Effective Date (and pay any additional amounts required pursuant to Section 3.05) to the extent necessary to keep the outstanding Committed Loans ratable with any revised Pro Rata Shares arising from any nonratable increase in the Commitments under this Section or any addition of a new Lender.

(f) Conflicting Provisions. This Section shall supersede any provisions in Sections 2.13 or 11.01 to the contrary.

2.15 Cash Collateral

(a) Certain Credit Support Events. If (i) an L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing,

(ii) as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, (iii) the Borrower shall be required to provide Cash Collateral pursuant to Section 9.02(c), or (iv) there shall exist a Defaulting Lender, the Borrower shall immediately (in the case of clause (iii) above) or within one Business Day (in all other cases) following any request by the Administrative Agent or the applicable L/C Issuer, provide Cash Collateral in an amount not less than the applicable Minimum Collateral Amount (determined in the case of Cash Collateral provided pursuant to clause (iv) above, after giving effect to Section 2.16(a)(iv) and any Cash Collateral provided by the Defaulting Lender). Additionally, if the Administrative Agent notifies the Borrower at any time that the Outstanding Amount of all L/C Obligations at such time exceeds 102% of the Letter of Credit Sublimit then in effect, then, within two Business Days after receipt of such notice, the Borrower shall provide Cash Collateral for the Outstanding Amount of the L/C Obligations in an amount not less than the amount by which the Outstanding Amount of all L/C Obligations exceeds the Letter of Credit Sublimit.

(b) Grant of Security Interest. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts at the Administrative Agent. The Borrower, and to the extent provided by any Lender, such Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the L/C Issuers and the Lenders and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 2.15(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrower or the relevant Defaulting Lender will, promptly upon demand by the Administrative Agent, pay

or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.15 or Sections 2.03, 2.05, 2.16 or 9.02 in respect of Letters of Credit shall be held and applied in satisfaction of the specific L/C Obligations, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may be provided herein.

(d) Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or other obligations shall be

released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender), (ii) the Administrative Agent's good faith determination that there exists excess Cash Collateral or (iii) repayment in full of the Obligations (other than contingent indemnification obligations for which no claim has been asserted), together with termination of all Commitments hereunder; provided, however, (x) that Cash Collateral furnished by or on behalf of a Loan Party shall not be released during the continuance of a Default or Event of Default (and following application as provided in this Section 2.15 may be otherwise applied in accordance with Section 9.03) and (y) the Person providing Cash Collateral and the applicable L/C Issuer, may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

2.16 Defaulting Lenders.

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendment. The Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders" and Section 11.01.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amount received by the Administrative Agent for the account of that Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article IX or otherwise, and including any amounts made available to the Administrative Agent by that Defaulting Lender pursuant to Section 11.08), 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 that Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by that Defaulting Lender to the L/C Issuers or Swing Line Lender hereunder; third, to Cash Collateralize the L/C Issuer's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.15; fourth, 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 that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrower, to be held in a non-interest bearing deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the L/C Issuer's future

Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.15; sixth, to the payment of any amounts owing to the Lenders, the L/C Issuers or Swing Line Lender as a result of any final and non-appealable judgment of a court of competent jurisdiction obtained by any Lender, any L/C Issuer or Swing Line Lender against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; seventh, 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 final and non-appealable judgment of a court of competent jurisdiction obtained by the Borrower against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and eighth, to that 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 or L/C Borrowings in respect of which that Defaulting Lender has not fully funded its appropriate share and (y) such Loans or L/C Borrowings were made at a time when the conditions set forth in Section 5.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Borrowings owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Borrowings owed to, that Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swing Line Loans are held by the Lenders pro rata in accordance with the Commitments hereunder without giving effect to Section 2.16(a)(iv). 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 2.16(a)(ii) shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) The Defaulting Lender (x) shall be entitled to receive any Facility Fee pursuant to Section 2.09(a) for any period during which that Lender is a Defaulting Lender only to extent allocable to the sum of (1) the outstanding amount of the Committed Loans funded by it and (2) its Pro Rata Share of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.15.

(B) Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender

is a Defaulting Lender only to the extent allocable to its Pro Rata Share of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.15.

(C) With respect to any Facility Fee payable under Section 2.09(a) or any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the Borrower shall (x) pay to each Non- Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations or Swing Line Loans that has been reallocated to such Non- Defaulting Lender pursuant to clause (iv) below, (y) pay to the L/C Issuer and Swing Line Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such L/C Issuer's or Swing Line Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Pro Rata Shares to Reduce Fronting Exposure. So long as the conditions precedent set forth in Section 5.02 have been met at such time, all or any part of such Defaulting Lender's participation in L/C Obligations and Swing Line Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Pro Rata Shares (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non- Defaulting Lender's Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swing Line Loans. If the reallocation described in clause (a)(iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under applicable Law, (x) first, prepay Swing Line Loans in an amount equal to the Swing Line Lenders' Fronting Exposure and (y) second, Cash Collateralize the L/C Issuers' Fronting Exposure in accordance with the procedures set forth in Section 2.15.

(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent, Swing Line Lender and the L/C Issuers agree in writing in their sole discretion that a Defaulting Lender should no longer be deemed to be 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 that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determined to be necessary to cause the Revolving Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held on a pro rata basis by the Lenders in accordance with their Pro Rata Shares (without giving effect to Section 2.16(a)(iv)), whereupon that Lender will cease to be a Defaulting Lender; provided, that, no adjustments 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; 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 having been a Defaulting Lender.

ARTICLE III

TAXES, YIELD PROTECTION AND ILLEGALITY

3.1 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Laws. If any applicable Laws (as determined in

the good faith discretion of the Administrative Agent) require the deduction or withholding of any Tax from any such payment by the Administrative Agent or the Borrower (taking into account the information and documentation to be delivered pursuant to subsection (e) below), then the Administrative Agent or the Borrower 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 the Code or applicable Laws.

(ii) If the Borrower or the Administrative Agent shall be required by the Code to withhold or deduct any Taxes, including both United States Federal backup withholding and withholding taxes, from any payment, then (A) the Administrative Agent shall withhold or make such deductions as are determined by the Administrative Agent to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) the Administrative Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the Code, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(iii) If the Borrower or the Administrative Agent shall be required by any applicable Laws other than the Code to withhold or deduct any Taxes from any payment, then (A) the Borrower or the Administrative Agent, as required by such Laws, shall withhold or make such deductions as are determined by it to be required taking into account the information and documentation it has received pursuant to subsection (e) below, (B) the Borrower or the Administrative Agent, to the extent required by such Laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Borrower. Without limiting the provisions of subsection (a) above, the Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent reimburse it within 10 days after written demand therefor for the payment of, any Other Taxes.

(c) Tax Indemnifications.

(i) The Borrower shall, and does hereby indemnify each Recipient, and shall make payment in respect thereof within 10 days after written 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 3.01) 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 or an L/C Issuer (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or an L/C Issuer, shall be conclusive absent manifest error. The Borrower shall, and does hereby, indemnify the Administrative Agent, and shall make payment in respect thereof within 10 days after demand therefor, for any amount which a Lender or an L/C Issuer for any reason fails to pay indefeasibly to the Administrative Agent as required pursuant to Section 3.01(c)(ii) below; provided that, upon request of the Borrower, the Administrative Agent shall use commercially reasonable efforts to exercise its set-off rights described in the last sentence of clause (c)(ii) below to collect the applicable amount paid by Borrower pursuant to the preceding sentence from the applicable Lender and shall pay the amount so collected to the Borrower net of any reasonable expenses incurred by the Administrative Agent in its efforts to collect from such Lender under clause (c)(ii) below.

(ii) Each Lender and each L/C Issuer shall, and does hereby, severally indemnify, and shall make payment in respect thereof, within 10 days after demand therefor, (x) the Administrative Agent against any Indemnified Taxes attributable to such Lender or such L/C Issuer (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Party to do so), (y) the Administrative Agent and the Loan Party, as applicable, against any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.06(d) relating to the maintenance of a Participant Register and (z) the Administrative Agent and the Loan Party, as applicable, against any Excluded Taxes attributable to such Lender or such L/C Issuer, in each case, that are payable or paid by the Administrative Agent or the Borrower 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 and each L/C Issuer hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender or such L/C Issuer, as the case may be, under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this clause (ii).

(d) Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority as provided in this Section 3.01, the Borrower 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.

(e) Status of Lenders; Tax Documentation.

(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 prescribed by applicable law or the taxing authorities of a jurisdiction pursuant to such applicable law or 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 either

(A) set forth in Section 3.01(e)(ii)(A), (ii)(B) and (ii)(D) below or (B) required by applicable law other than the Code or the taxing authorities of the jurisdiction pursuant to such applicable law to comply with the requirements for exemption or reduction of withholding tax in that jurisdiction) 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 copies 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:

(I) 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 copies of IRS Form W-8BEN-E (or W-8BEN, as applicable) 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-E (or W-8BEN, as applicable) 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;

(II) executed copies of IRS Form W-8ECI;

(III) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code,

(x) a certificate substantially in the form of Exhibit F-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN-E (or W-8BEN, as applicable); or

(IV) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN-E (or W-8BEN, as applicable), a

U.S. Tax Compliance Certificate substantially in the form of Exhibit F-2 or Exhibit F-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 F-4 on behalf of each such direct and indirect partner;

(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 copies 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; and

(D) 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 Code, 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 Code) 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 (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 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.

(f) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender or an L/C Issuer, or have any obligation to pay to any Lender or an L/C Issuer, any refund of Taxes withheld or deducted from funds paid for the account of such Lender or such L/C Issuer, as the case may be. If any Recipient 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 by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 3.01, it shall pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). The Borrower, upon the request of the Recipient, shall repay to the Recipient the amount paid over pursuant to this subsection (f) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to the Borrower pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient 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 subsection shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person.

(g) Survival. Each party's obligations under this Section 3.01 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender or an L/C Issuer, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations under any Loan Document.

(h) FATCA. For purposes of determining U.S. withholding Taxes imposed under FATCA, from and after the effective date of this Agreement, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) this Agreement as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

3.2 Illegality. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to perform any of its obligations hereunder or make, maintain or fund or charge interest with

respect to any Credit Extension or to determine or charge interest rates based upon the Eurocurrency Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars or any Alternative Currency in the applicable interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, (i) any obligation of such Lender to issue, make, maintain, fund or charge interest with respect to any such Credit Extension or to make or continue Eurocurrency Rate Loans in the affected currency or currencies or, in the case of Eurocurrency Rate Loans in Dollars, to convert Base Rate Committed Loans to Eurocurrency Rate Loans, shall be suspended, and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Eurocurrency Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurocurrency Rate component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable and such Loans are denominated in Dollars, convert all Eurocurrency Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurocurrency Rate component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurocurrency Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurocurrency Rate Loans and

(y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurocurrency Rate, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurocurrency Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurocurrency Rate. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

3.3 Inability to Determine Rates. If in connection with any request for a Eurocurrency Rate Loan or a conversion to or continuation thereof, (a) (i) the Administrative Agent determines that deposits (whether in Dollars or an Alternative Currency) are not being offered to banks in the applicable offshore interbank market for such currency for the applicable amount and Interest Period of such Eurocurrency Rate Loan, or (ii) adequate and reasonable means do not exist for determining the Eurocurrency Rate for any requested Interest Period with respect to a proposed Eurocurrency Rate Loan (whether denominated in Dollars or an Alternative Currency) or in connection with an existing or proposed Base Rate Loan (in each case with respect to clause (a) above, "Impacted Loans"), or (b) the Administrative Agent or the Required Lenders determine that for any reason the Eurocurrency Rate for any requested Interest Period with respect to a proposed Eurocurrency Rate Loan does not adequately and fairly reflect the cost to such

Lenders of funding such Eurocurrency Rate Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurocurrency Rate Loans in the affected currency or currencies shall be suspended, (to the extent of the affected Eurocurrency Rate Loans or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the Eurocurrency Rate component of the Base Rate, the utilization of the Eurocurrency Rate component in determining the Base Rate shall be suspended, in each case until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurocurrency Rate Loans in the affected currency or currencies (to the extent of the affected Eurocurrency Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Committed Borrowing of Base Rate Loans in the amount specified therein.

Notwithstanding the foregoing, if the Administrative Agent has made the determination described in this section, the Administrative Agent, in consultation with the Borrower and the Required Lenders, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (1) the Administrative Agent revokes the notice delivered with respect to the Impacted Loans under clause (a) of the first sentence of this section,

(2) the Administrative Agent or the Required Lenders notify the Administrative Agent and the Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (3) any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Administrative Agent and the Borrower written notice thereof.

3.4 Increased Costs; Reserves on Loans.

(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 3.04(e), other than as set forth below) or any L/C Issuer;

- (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 any L/C Issuer or the London interbank market any other condition, cost or expense affecting this Agreement or Eurocurrency Rate Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or such L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or such L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or such L/C Issuer, the Borrower will pay to such Lender or such L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or such L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or any L/C Issuer reasonably determines that any Change in Law affecting such Lender or such L/C Issuer or any Lending Office of such Lender or such Lender's or such L/C Issuer'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 or such L/C Issuer's capital or on the capital of such Lender's or such L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such L/C Issuer, to a level below that which such Lender or such L/C Issuer or such Lender's or such L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such L/C Issuer's policies and the policies of such Lender's or such L/C Issuer's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or such L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or such L/C Issuer or such Lender's or such L/C Issuer's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or an L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or such L/C Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender or such L/C Issuer, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or any L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's or such L/C Issuer's right to demand such compensation, provided that no Borrower shall be required to compensate a Lender or an L/C Issuer pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or such L/C Issuer, 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 L/C Issuer'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) Additional Reserve Requirements. The Borrower shall pay to each Lender (i) 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 Eurocurrency Rate 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), and (ii) as long as such Lender shall be required to comply with any reserve ratio requirement or analogous requirement of any other central banking or financial regulatory authority imposed in respect of the maintenance of the Commitments or the funding of the Eurocurrency Rate Loans, such additional costs (expressed as a percentage per annum and rounded upwards, if necessary, to the nearest five decimal places) equal to the actual costs allocated to such Commitment or Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which in each case shall be due and payable on each date on which interest is payable on such Loan, provided the Borrower shall have received at least 10 days' prior notice (with a copy to the Administrative Agent) of such additional interest or costs from such Lender. If a Lender fails to give notice 10 days prior to the relevant Interest Payment Date, such additional interest or costs shall be due and payable 10 days from receipt of such notice.

3.5 Compensation for Losses. Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by the Borrower;

(c) any failure by the Borrower to make payment of any Loan or drawing under any Letter of Credit (or interest due thereon) denominated in an Alternative Currency on its scheduled due date or any payment thereof in a different currency; or

(d) any assignment of a Eurocurrency Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 11.13;

including any loss of anticipated profits, any foreign exchange losses and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan, from fees payable to terminate the deposits from which such funds were obtained or from the performance of any foreign exchange contract. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Eurocurrency Rate Loan made by it at the Eurocurrency Rate for such Loan by a matching deposit or other borrowing in the offshore interbank market for such currency for a comparable amount and for a comparable period, whether or not such Eurocurrency Rate Loan was in fact so funded.

3.6 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. Each Lender may make any Credit Extension to the Borrower through any Lending Office, provided that the exercise of this option shall not affect the obligation of the Borrower to repay the Credit Extension in accordance with the terms of this Agreement. If any Lender requests compensation under Section 3.04, or the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, 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 amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, 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 3.04, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 3.06(a), the Borrower may replace such Lender in accordance with Section 11.13.

3.7 Survival. All of the Borrower's obligations under this Article III shall survive termination of the Aggregate Commitments and repayment of all other Obligations hereunder.

ARTICLE IV GUARANTY

4.01 Facility Guaranty. In support of the full and timely payment and performance of all Obligations, Borrower shall on or before the Closing Date do or cause to be done all things necessary to cause each Domestic Subsidiary that is a Significant Subsidiary (other than Excluded Subsidiaries) to execute and deliver to Administrative Agent for the benefit of the Lenders a Facility Guaranty and shall further cause each Person who thereafter becomes a Domestic Subsidiary that is a Significant Subsidiary (other than Excluded Subsidiaries) to do all those things required by Section 7.12.

ARTICLE V

CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

5.1 Conditions of Closing. The effectiveness of this Agreement is subject to the following conditions precedent:

(a) The Administrative Agent's receipt of the following, each of which shall be originals, facsimiles or pdf copies (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance satisfactory to the Administrative Agent and its legal counsel:

(i) executed counterparts of this Agreement and the Facility Guaranty sufficient in number for distribution to the Administrative Agent, each Lender and the Borrower;

(ii) a Note executed by the Borrower in favor of each Lender requesting a Note;

(iii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may require evidencing 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 to which such Loan Party is a party;

(iv) such documents and certifications as the Administrative Agent may reasonably require to evidence that each Loan Party is duly organized or formed, validly existing, in good standing and qualified to engage in business in its jurisdiction of organization, including certified copies of such Loan Parties' Organization Documents, certificates of good standing and/or qualification to engage in business;

(v) a favorable opinion of counsel to the Loan Parties as to matters of Florida and United States Law, addressed to the Administrative Agent and the Lenders, in form and substance satisfactory to the Administrative Agent and its legal counsel;

(vi) a certificate of a Responsible Officer or Secretary of each Loan Party either (A) attaching copies of all consents, licenses and approvals required in connection with the execution, delivery and performance by such Loan Party and the validity against such Loan Party of the Loan Documents to which it is a party, and such consents, licenses and approvals shall be in full force and effect, or (B) stating that no such consents, licenses or approvals are so required;

(vii) a certificate signed by a Responsible Officer of the Borrower certifying (A) that the conditions specified in Sections 5.02(a) and (b) have been satisfied, (B) that there has been no event or circumstance since the date of the Audited Financial Statements that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect; (C) the current Debt Ratings; and (D) the Borrower has paid all required documentary stamp taxes, intangible taxes and other taxes and fees imposed upon the execution, filing and/or or recording of the Credit Agreement and the other Loan Documents;

(viii) a Compliance Certificate signed by a Responsible Officer of the Borrower, demonstrating that the Borrower is in compliance with the covenants set forth in Section 8.13, which certificate (for purposes of this Section 5.01(a)(viii)) may exclude paragraphs 1, 2, 3 and 4 of Exhibit D), shall be based on the financial statements of the Borrower's for the fiscal period ending June 30, 2015; and

(ix) such other assurances, certificates, documents, consents or opinions as the Administrative Agent, the L/C Issuers, the Swing Line Lender or the Required Lenders reasonably may require.

(b) Any fees and expenses required to be paid on or before the Closing Date shall have been paid, including those set forth in the Fee Letter.

(c) Unless waived by the Administrative Agent, the Borrower shall have paid all Attorney Costs of the Administrative Agent to the extent invoiced prior to or on the Closing Date; provided that such payment shall not thereafter preclude a final settling of accounts between the

Borrower and the Administrative Agent and shall not relieve the Borrower of its obligation to pay or reimburse the Administrative Agent for any additional Attorney Costs in accordance with Section 11.04; and provided further that this clause (c) is subject to the limitation on reimbursement of certain Attorney Costs set forth in the Fee Letter.

(d) The Administrative Agent shall have received satisfactory evidence that all obligations owing under the Borrower's existing credit agreement among the Borrower, Bank of America, as administrative agent, and the other lenders party thereto, and any liens thereunder, shall have been, or concurrently with the date hereof will be, terminated.

Without limiting the generality of the provisions of Section 10.04, for purposes of determining compliance with the conditions specified in this Section 5.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

5.2 Conditions to all Credit Extensions. The obligation of each Lender to honor any Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Committed Loans to the other Type, or a continuation of Eurocurrency Rate Loans) is subject to the following conditions precedent:

(a) The representations and warranties of the Borrower and each other Loan Party contained in Article VI or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects (unless such representation or warranty is already qualified by materiality or Material Adverse Effect, in which case it shall be true and correct in all respects) on and as of the date of such Credit Extension, 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 (unless such representation or warranty is already qualified by materiality or Material Adverse Effect, in which case it shall be true and correct in all respects) as of such earlier date,

and except that for purposes of this Section 5.02, the representations and warranties contained in subsections (a) and (b) of Section 6.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 7.01.

(b) No Default shall exist, or would result from such proposed Credit Extension.

(c) The Administrative Agent and, if applicable, the applicable L/C Issuer or the Swing Line Lender shall have received a Request for Credit Extension in accordance with the requirements hereof.

(d) In the case of a Credit Extension to be denominated in an Alternative Currency, there shall not have occurred any change in national or international financial, political or economic conditions or currency exchange rates or exchange controls which in the reasonable opinion of the Administrative Agent, the Required Lenders (in the case of any Loans to be denominated in an Alternative Currency) or the applicable L/C Issuer (in the case of any Letter of Credit to be denominated in an Alternative Currency) would make it impracticable for such Credit Extension to be denominated in the relevant Alternative Currency.

Each Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Committed Loans to the other Type or a continuation of Eurocurrency Rate Loans) submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 5.02(a) and (b) have been satisfied on and as of the date of the applicable Credit Extension.

ARTICLE VI REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Administrative Agent and the Lenders that:

6.1 Existence, Qualification and Power; Compliance with Laws. Each Loan Party (a) is a corporation or other legal entity duly organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, (c) is duly qualified and is licensed and in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, and (d) is in compliance with all Laws; except in each case referred to in clause (b)(i), (c) or (d), to the extent that failure to do so could not reasonably be

expected to have a Material Adverse Effect.

6.2 Authorization; No Contravention. The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is party, have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, (i) any material Contractual Obligation to which such Person is a party or

(ii) any order, injunction, Writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law.

6.3 Governmental Authorization; Other Consents. Except for consents which have already been obtained, no approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person (other than filings under the Securities Exchange Act of 1934 and the rules and regulations of the SEC promulgated thereunder) which has not been obtained is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document.

6.4 Binding Effect. 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 party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms.

6.5 Financial Statements; No Material Adverse Effect.

(a) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (iii) show all material indebtedness and other material liabilities, direct or contingent, of the Borrower and its Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(b) The unaudited consolidated financial statements of the Borrower and its Subsidiaries dated June 30, 2015, and the related consolidated statements of income or operations, shareholders' equity and cash flows for the fiscal quarter ended on that date (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments.

(c) Since the date of the Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

6.6 Litigation. Except as disclosed in the Exchange Act Reports, there are no actions, suits, proceedings, investigations, claims or disputes pending or, to the knowledge of the Borrower after due and diligent investigation, pending threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against the Borrower or any of its Subsidiaries or against any of their properties or revenues that (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby, or (b) if determined adversely, could reasonably be expected to have a Material Adverse Effect.

6.7 No Default. Neither the Borrower nor any Subsidiary 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 contemplated by this Agreement or any other Loan Document.

6.8 Ownership of Property; Liens. Each of the Borrower and each Subsidiary has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The property of the Borrower and its Subsidiaries is subject to no Liens, other than Liens permitted by Section 8.01.

6.9 Environmental Compliance. The Borrower and its Subsidiaries conduct in the ordinary course of business a review of the effect of

claims alleging potential liability or responsibility for violation of any Environmental Law on their respective businesses, operations and properties, and as a result thereof the Borrower has reasonably concluded that Environmental Laws and such claims could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.10 Insurance. The properties of the Borrower and its Subsidiaries are insured with financially sound and reputable insurance companies, 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 none of which insurance shall be provided by any Subsidiary or any other Affiliate of the Borrower except to the extent that any such Affiliate has reinsured all exposure related thereto with one or more financially sound and reputable insurance or reinsurance companies none of which is an Affiliate of the Borrower.

6.11 Taxes. The Borrower and its Subsidiaries have filed all Federal, state and other material tax returns and reports required to be filed, and have paid all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except such material items which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against the Borrower or any Subsidiary that would, if made, have a Material Adverse Effect.

6.12 ERISA Compliance.

(a) (i) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other federal or state Laws and (ii) each Pension Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(a) of the Code or an application for such a letter is currently being processed by the Internal Revenue Service and to the best knowledge of the Loan Parties, nothing has occurred which would prevent, or cause the loss of, such tax-qualified status.

(b) There are no pending or, to the best knowledge of the Loan Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan

that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) (i) no ERISA Event has occurred with respect to any Pension Plan and to the knowledge of the Loan Parties there is no fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan; (ii) the Borrower and each ERISA Affiliate have met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; (iii) neither the Borrower nor any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; (iv) neither the Borrower nor any ERISA Affiliate has engaged in a transaction that could reasonably be expected to be subject to Section 4069 or Section 4212(c) of ERISA; and (v) no Pension Plan has been terminated by the plan administrator thereof in a non-standard termination or by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan.

6.13 Subsidiaries. Set forth on Schedule 6.13 is a complete and accurate list of the Borrower, all Subsidiaries, the exact legal name and, with respect to those Subsidiaries which are Loan Parties, the tax identification number, of each, a designation as to whether each such Subsidiary is a Domestic Subsidiary or a Foreign Subsidiary, and which Subsidiaries are Significant Subsidiaries, as such Schedule 6.13 is updated from time to time in accordance with Section 7.02. The Borrower has no equity investments in any corporation or entity that is not a Subsidiary other than those specifically disclosed in Schedule 8.02.

6.14 Margin Regulations; Investment Company Act.

(a) The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. Following the application of the proceeds of each Borrowing or drawing under each Letter of Credit, not more than 25% of the value of the assets (either of the Borrower only or of the Borrower and its Subsidiaries on a consolidated basis) subject to the provisions of Section 8.01 or Section 8.05 or subject to any restriction contained in any agreement or instrument between the Borrower and any Lender or any Affiliate of any Lender relating to Indebtedness and within the scope of Section 9.01(e) will be margin stock.

(b) None of the Borrower or any Guarantor is or is required to be registered as an "investment company" under the Investment Company Act of 1940.

6.15 Disclosure. The Borrower has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries 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. No report, financial statement, certificate or other information furnished (whether in writing or orally) by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished)

contains any 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 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.

6.16 Compliance with Laws. Each of the Borrower and each Subsidiary is in compliance in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

6.17 Intangible Assets. The Borrower and its Subsidiaries own, or possess the right to use, all trademarks, trade names, copyrights, patents, patent rights, franchises, licenses and other intangible assets that are used in the conduct of their respective businesses as now operated, and none of such items, to the best knowledge of Borrower, conflicts with the valid trademark, trade name, copyright, patent, patent right or intangible asset of any other Person to the extent that such conflict has a Material Adverse Effect.

6.18 Off-Balance Sheet Liabilities. As of the Closing Date, neither the Borrower nor any Subsidiary has any Off-Balance Sheet Liabilities other than those identified on Schedule 6.18.

6.19 Solvency. On the Closing Date, after giving effect to the application of each Loan made on such date and the other transactions contemplated by each Loan Document to occur on such date, the Loan Parties, on a consolidated basis, are Solvent.

6.20 OFAC. Neither the Borrower, nor any of its Subsidiaries, nor, to the knowledge of the Borrower and its Subsidiaries, any director, officer or affiliate thereof, is an individual or entity, or is owned or controlled by any individual or entity (i) with whom dealings are currently prohibited by any Sanctions (a "Sanctioned Person") or (ii) located, organized or resident in a Designated Jurisdiction.

6.21 Anti-Corruption Laws. The Borrower and its Subsidiaries have conducted their businesses in material compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other similar anti-corruption legislation in other jurisdictions and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

ARTICLE VII AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, the Borrower shall, and shall (except in the case of the covenants set forth in Sections 7.01, 7.02, 7.03 or 7.11), cause each Subsidiary to:

7.1 Financial Statements. Deliver to the Administrative Agent and each Lender, in form and detail reasonably satisfactory to the Administrative Agent and the Required Lenders:

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of the Borrower, consolidated and consolidating balance sheets of the Borrower and its Subsidiaries as at the end of such fiscal year, and the related consolidated and consolidating statements of income or operations, shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing reasonably acceptable to the Required Lenders, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit; and

(b) as soon as available, but in any event within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, consolidated and consolidating balance sheets of the Borrower and its Subsidiaries as at the end of such fiscal quarter, and the related consolidated and consolidating statements of income or operations, shareholders' equity and cash flows for such fiscal quarter and for the portion of the Borrower's fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail and certified by a Responsible Officer of the Borrower as fairly presenting the financial condition, results of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes.

As to any information contained in materials furnished pursuant to Section 7.02(d), the Borrower shall not be separately required to furnish such information under clause (a) or (b) above, but the foregoing shall not be in derogation of the obligation of the Borrower to furnish the information and materials described in subsections (a) and (b) above at the times specified therein.

7.2 Certificates; Other Information. Deliver to the Administrative Agent and each Lender, in form and detail reasonably satisfactory to the Administrative Agent and the Required Lenders (it being agreed that with respect to items required to be filed with the SEC, documents satisfying the requirements of the SEC shall be deemed to be satisfactory in form and detail to the Administrative Agent and the Lenders):

(a) concurrently with the delivery of the financial statements referred to in Section 7.01(a), a certificate of its independent certified public accountants certifying such financial statements and stating that in making the examination necessary therefor no knowledge was obtained of any Default under the financial covenants set forth herein or, if any such Default shall exist, stating the nature and status of such event;

(b) concurrently with the delivery of the financial statements referred to in Sections 7.01(a) and (b), a duly completed Compliance Certificate signed by a Responsible Officer of the Borrower;

(c) promptly after any request by the Administrative Agent or any Lender, copies of any detailed audit reports, management letters or recommendations submitted to the board of

directors (or the audit committee of the board of directors) of the Borrower by independent accountants in connection with the accounts or books of the Borrower or any Subsidiary, or any audit of any of them;

(d) promptly after the same are available, copies of each annual report, proxy or financial statement or other report or communication sent to the stockholders of the Borrower, and copies of all annual, regular, periodic and special reports and registration statements which the Borrower may file or be required to file with the SEC under Section 13 or 15(d) of the Securities Exchange Act of 1934, and not otherwise required to be delivered to the Administrative Agent pursuant hereto;

(e) promptly after the furnishing thereof, copies of any statement or report furnished to any holder of debt securities of any Loan Party or any Subsidiary thereof pursuant to the terms of any indenture, loan or credit or similar agreement and not otherwise required to be furnished to the Lenders pursuant to Section 7.01 or any other clause of this Section 7.02; and

(f) promptly, such additional information regarding the business, financial or corporate affairs of the Borrower or any Subsidiary, or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may from time to time reasonably request.

Documents required to be delivered pursuant to Section 7.01(a) or (b) or Section 7.02(d) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet at the website address listed on Schedule 11.02 or (ii) on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (i) the Borrower shall deliver paper copies of the Compliance Certificates required by Section 7.02(b) to the Administrative Agent upon its request (or upon the request of a Lender through the Administrative Agent) to the Borrower to deliver such paper copies and (ii) the Borrower shall notify the Administrative Agent and each Lender (by facsimile or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request by a Lender for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Borrower hereby acknowledges that (a) the Administrative Agent and/or the Arranger, will make available to the Lenders and the L/C Issuers materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on IntraLinks or another similar electronic system (the "Platform") and (b) the Borrower has requested that none of the proposed Lenders be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Borrower or any of its Subsidiaries or any of their respective securities) (each, a "Public Lender"). Accordingly, the Borrower hereby agrees that the Administrative

Agent and the Arranger shall be entitled to treat all Borrower Materials as being suitable only for posting on the Platform such that they are not made available to any Public Lender.

7.3 Notices. Promptly notify the Administrative Agent and each Lender:

- (a) of the occurrence of any Default;
- (b) of any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect;
- (c) of the occurrence of any ERISA Event;
- (d) of any material change in accounting policies or financial reporting practices by the Borrower or any Significant Subsidiary; and
- (e) of any published announcement by Moody's or S&P of any change in (i) a Debt Rating or (ii) the outlook regarding the Borrower.

Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower has taken and proposes to take with respect thereto. Each notice pursuant to Section 7.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

7.4 Payment of Obligations. Pay and discharge as the same shall become due and payable, all its material obligations and material liabilities in accordance with customary practices of the Borrower and its Subsidiaries.

7.5 Preservation of Existence, Etc. (a) Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 8.04 or 8.05; (b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

7.6 Maintenance of Properties. (a) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; and (b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

7.7 Maintenance of Insurance. Maintain with financially sound and reputable insurance companies, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons, none of which insurance shall be provided by any Subsidiary or any other Affiliate of the Borrower except to the extent

that any such Affiliate has reinsured all exposure related thereto with one or more financially sound and reputable insurance or reinsurance companies none of which is an Affiliate of the Borrower.

7.8 Compliance with Laws. Comply with the requirements of all Laws (including all Environmental Laws) and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

7.9 Books and Records. (a) Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP

consistently applied shall be made of all financial transactions and matters involving the assets and business of the Borrower or such Subsidiary, as the case may be; and (b) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over the Borrower or such Subsidiary, as the case may be.

7.10 Inspection Rights. Subject to Section 11.07, permit representatives and independent contractors of the Administrative Agent and each Lender to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, at such reasonable times during normal business hours as often as may be reasonably desired, and (so long as no Event of Default exists) without unreasonably interfering with business operations of the Borrower or such Subsidiary, and upon reasonable advance notice to the Borrower; provided, however, that when an Event of Default exists the Administrative Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and without advance notice.

7.11 Use of Proceeds. Use the proceeds of the Credit Extensions worldwide for working capital and capital expenditure purposes, settlement of put obligations, acquisitions permitted hereunder and other lawful purposes not in contravention of any Law or of any Loan Document.

7.12 New Subsidiaries.

(a) Promptly notify the Administrative Agent at the time that any Domestic Subsidiary becomes a Significant Subsidiary (other than an Excluded Subsidiary) or any Domestic Subsidiary is acquired that constitutes a Significant Subsidiary (other than an Excluded Subsidiary) and within 60 days thereof cause to be delivered to Administrative Agent for the benefit of Administrative Agent and the Lenders (A) a Facility Guaranty in form and substance satisfactory to the Administrative Agent or a Guaranty Joinder Agreement, in each case executed by such Significant Subsidiary, (B) an opinion of counsel to such Significant Subsidiary dated as of the date of delivery of the Facility Guaranty or Guaranty Joinder Agreement addressed to Administrative Agent and the Lenders, in form and substance reasonably acceptable to Administrative Agent, (C) the Organization Documents of such Significant Subsidiary, (D) documents of the types referred to in Sections 5.01(a)(iii), (iv), and (vi), (E) a certificate signed by a Responsible Officer in form acceptable to the Administrative Agent setting forth the amount of assets and revenues of each of the Borrower and each of its Domestic Subsidiaries, and (F) any updates or supplements as necessary to ensure that Schedule 6.13 is accurate and complete as of the date of such financial statements; provided, however, that such Facility Guaranty and opinion shall not be required with respect to a Domestic Subsidiary that (1) is intended to be a Significant

Subsidiary only temporarily as part of a restructuring plan or acquisition plan otherwise permitted by this Agreement, and (2) in fact ceases to be a Significant Subsidiary in accordance with such plan prior to the end of the 60-day period described above; and provided, further, that no Excluded Subsidiary shall be required to deliver a Facility Guaranty.

(b) If at any time the sum of the total assets (on a consolidated basis with their respective Domestic Subsidiaries) of Domestic Subsidiaries (other than Excluded Subsidiaries) that are not Guarantors exceeds in the aggregate 10% of the total assets of the Borrower (on a consolidated basis with its Domestic Subsidiaries), the Borrower shall promptly cause one or more additional Domestic Subsidiaries that do not constitute Significant Subsidiaries to become a Guarantor in order that after giving effect to such additional Guarantors, the sum of the total assets (on a consolidated basis with their respective Domestic Subsidiaries) of Domestic Subsidiaries (other than Excluded Subsidiaries) that are not Guarantors does not exceed in the aggregate 10% of the total assets of the Borrower (on a consolidated basis with its Domestic Subsidiaries).

7.13 Compliance with Agreements. Promptly and fully comply with all Contractual Obligations to which any one or more of them is a party, except for any such Contractual Obligations (a) the performance of which would cause a Default, (b) then being contested by any of them in good faith by appropriate proceedings, or (c) if the failure to comply therewith does not have a Material Adverse Effect.

7.14 Compliance with ERISA. Do, and cause each of its ERISA Affiliates to do, each of the following: (a) maintain each Plan in compliance in all material respects with the applicable provisions of ERISA, the Code and other federal or state law; (b) cause each Plan that is qualified under Section 401(a) of the Code to maintain such qualification; and (c) make all required contributions to any Plan subject to Section 412, Section 430 or Section 431 of the Code.

7.15 Anti-Corruption Laws. Conduct its businesses in material compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other similar anti-corruption legislation in other jurisdictions and maintain policies and procedures designed to promote and achieve compliance with such laws.

ARTICLE VIII NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, the Borrower shall not, nor shall it permit any Subsidiary to, directly or indirectly:

8.1 Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) Liens pursuant to any Loan Document;

(b) Liens existing on the date hereof and listed on Schedule 8.01 and any renewals or extensions thereof, provided that the property covered thereby is not increased and any renewal or extension of the obligations secured or benefited thereby is permitted by Section 8.03(b);

(c) Liens for taxes not yet due or which, if material, are being contested in good faith and by appropriate proceedings diligently conducted, and adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(d) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 30 days or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person;

(e) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA;

(f) deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety bonds (other than bonds related to judgments or litigation, except to the extent permitted in clause (h) below), performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(g) easements, rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person;

(h) Liens securing judgments for the payment of money not constituting an Event of Default under Section 9.01(h) or securing appeal or other surety bonds related to such judgments or posted as a condition (under applicable Law) to maintaining a lawsuit otherwise permitted by this Agreement;

(i) Liens securing Indebtedness permitted under Section 8.03(d); provided that (i) such Liens do not at any time encumber any property other than the property financed by such Indebtedness and (ii) the Indebtedness secured thereby does not exceed the cost or fair market value, whichever is lower, of the property being acquired on the date of acquisition;

(j) Liens on accounts receivable arising in connection with the Permitted Trade Receivables Facilities;

(k) Liens on the property financed under the Real Estate Financing Facilities, which Liens secure such facility or Liens permitted under transactions permitted under Section 8.11;

(l) Liens (including title retention arrangements) arising in the ordinary course of business on inventory of any Subsidiary, which Liens secure the purchase price owed by such Subsidiary to the supplier of such inventory;

(m) Liens securing Indebtedness permitted under Section 8.03(g), on specific property or assets acquired pursuant to an Acquisition permitted by Section 8.12; provided, that

(i) such Liens were in existence at the time of such Acquisition, and were not incurred in contemplation of such Acquisition, (ii) no such Lien extends to any property other than the property acquired and (iii) such Liens are not outstanding for more than one hundred eighty (180) days after the date of such Acquisition;

(n) Liens consisting of normal and customary rights of setoff upon deposits of cash in favor of banks or other depository institutions;

(o) Liens consisting of rights of setoff in connection with Indebtedness permitted under Section 8.03(c);

(p) Liens on cash balances of accounts in connection with cash management and cash pooling programs maintained by the Borrower or any of its Subsidiaries; and

(q) Liens not otherwise permitted under this Section 8.01; provided, that neither (a) the aggregate principal amount of all Indebtedness secured by such Liens nor (b) the aggregate fair market value of the assets subject to such Liens exceeds \$50,000,000 at any one time.

8.2 Investments . Make any Investments, except:

(a) Investments held by the Borrower or a Subsidiary in the form of cash or cash equivalents;

(b) advances to officers, directors and employees of the Borrower and Subsidiaries for travel, entertainment, relocation and analogous ordinary business purposes, provided that such advances are made in the ordinary course of business;

(c) Investments of the Borrower or any Subsidiary in the Borrower or in a Domestic Subsidiary; provided that if the investor is the Borrower or a wholly-owned Domestic Subsidiary, such Investment must be in the Borrower or a wholly-owned Domestic Subsidiary;

(d) 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;

(e) (i) Guarantees of Indebtedness permitted by Section 8.03, (ii) Guarantees of payment of obligations of a Subsidiary owed to a third party vendor (including trade indebtedness through financial intermediaries) arising in the ordinary course of business and (iii) Guarantees of

payment of obligations of a Subsidiary under any foreign exchange facilities and/or treasury management services or agreements;

(f) Guarantees of payment of obligations of one or more customers of the Borrower or a Subsidiary owed to a financial intermediary or a third party vendor and arising in the ordinary course of business; provided that the aggregate amount of such Guarantees does not exceed at any time \$200,000,000;

(g) Investments made in accordance with the Borrower's Investment Policy;

(h) Investments existing on the date hereof and described in Schedule 8.02;

(i) Loans to and Investments in Foreign Subsidiaries in an amount not to exceed, at any time, the sum of (x) \$500,000,000 plus (y) 35% of the amount of Shareholders' Equity that existed on the last day of the fiscal quarter of the Borrower most recently ended on or prior to the date of determination plus (z) 35% of the proceeds of the issuance of capital stock of Borrower after the Closing Date;

(j) Investments by a Foreign Subsidiary in another Foreign Subsidiary;

(k) Acquisitions permitted under Section 8.12; and

(l) other Investments in addition to those specified in this Section 8.02 in Persons with whom the Borrower or a Subsidiary are engaged in a business relationship or which provide products or services to Borrower or a Subsidiary, so long as the aggregate Investments pursuant to this clause (l) do not exceed, in the aggregate at any one time, \$300,000,000.

8.3 Indebtedness . Create, incur, assume or suffer to exist any Indebtedness,

except:

(a) Indebtedness under the Loan Documents;

(b) Indebtedness outstanding on the date hereof and listed on Schedule 8.03 and any refinancings, refundings, renewals or extensions thereof, provided that the amount of such Indebtedness is not increased at the time of such refinancing, refunding, renewal or extension except by an amount, subject to subsection (h) below, equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing and by an amount equal to any existing commitments unutilized thereunder;

(c) Swap Contracts;

(d) purchase money Indebtedness (including Capital Leases) described in Section 8.01(i) not to exceed an aggregate outstanding principal amount at any time of

\$200,000,000, excluding those described on Schedule 8.03 ;

(e) the Real Estate Financing Facilities;

(f) any obligations arising under the Permitted Trade Receivables Facilities, provided that the amount of all accounts receivable owing to the Foreign Subsidiaries that are sold, transferred or assigned shall not exceed the equivalent of EUR 750,000,000 in the aggregate, based on the prevailing spot rate of exchange for the currencies in which such accounts receivable are denominated as of the date of determination;

(g) Indebtedness of a Person, or in respect of assets, acquired pursuant to an Acquisition permitted under Section 8.12 and existing at the time of such Acquisition, provided that (i) such Indebtedness was not incurred in contemplation of such Acquisition and (ii) such Indebtedness is not outstanding for more than one hundred eighty (180) days after the date of such Acquisition; and

(h) Other Indebtedness as long as after giving effect to the incurrence thereof, the Borrower will be in pro forma compliance with Section 8.13(a) .

8.4 Fundamental Changes . Merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that, so long as no Default exists or would result therefrom:

(a) any Subsidiary may merge with (i) the Borrower; provided that the Borrower shall be the continuing or surviving Person, or (ii) any one or more Domestic Subsidiaries or (iii) any joint venture, partnership or other Person, so long as such joint venture, partnership and other Person will, as a result of making such merger and all other contemporaneous related transactions, become a Domestic Subsidiary, provided, further, (in the case of clauses (ii) and (iii)) that when any Guarantor is merging with another Subsidiary or any other Person, either (A) the Guarantor shall be the continuing or surviving Person or (B) the continuing or surviving Person shall (prior to or simultaneously with such merger) deliver to the Administrative Agent (1) a Facility Guaranty and (2) all other documents required of Significant Subsidiaries pursuant to Section 7.12 ;

(b) any Subsidiary may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to the Borrower or to a Subsidiary; provided that (i) if the transferor in such a transaction is a wholly-owned Subsidiary, then the transferee must either be the Borrower or a wholly-owned Subsidiary and (ii) if the transferor in such a transaction is a Guarantor, then the transferee must either be the Borrower or a Guarantor;

(c) any Foreign Subsidiary may merge into and may transfer assets to another Foreign Subsidiary;

(d) with respect to any Subsidiary (the "Specified Subsidiary") whose principal assets are a warehouse and office space (if any)

located on the same site as such warehouse, then the owner of the stock in such Specified Subsidiary may sell the stock of such Specified Subsidiary, or such Specified Subsidiary may sell all or substantially all of its assets to a purchaser, in each case at fair market value; and

(e) the Borrower may liquidate or dissolve one or more Subsidiaries, or sell all or substantially all of the assets or shares of one or more Subsidiaries, during a fiscal year so long as the aggregate book value of the Subsidiaries liquidated or dissolved or assets or shares sold during such fiscal year does not exceed \$100,000,000.

8.5 Dispositions. Make any Disposition or enter into any agreement to make any Disposition, except:

(a) Dispositions of obsolete or worn out property, whether now owned or hereafter acquired, in the ordinary course of business;

(b) Dispositions of inventory and other real or personal property in the ordinary course of business;

(c) Dispositions of equipment or real property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such Disposition are reasonably promptly applied to the purchase price of such replacement property or (iii) the Borrower or any Subsidiary determines in good faith that the failure to replace such equipment will not be detrimental to the business of Borrower or such Subsidiary;

(d) Dispositions of assets and other property by any Subsidiary to the Borrower or to a wholly-owned Subsidiary; provided that (i) if the transferor of such property is a wholly-owned Subsidiary, the transferee must be either the Borrower or a wholly-owned Subsidiary, and (ii) if the transferor of such property is the Borrower or a Guarantor, the transferee thereof must either be the Borrower or a Guarantor;

(e) Dispositions permitted by Section 8.04 and Section 8.11(c);

(f) Dispositions of receivables pursuant to the Permitted Trade Receivables Facilities; and

(g) Dispositions by the Borrower and its Subsidiaries not otherwise permitted under this Section 8.05; provided that (i) at the time of such Disposition, no Default shall exist or would result from such Disposition and (ii) the aggregate book value of all property Disposed of in reliance on this clause (g) in any fiscal year shall not exceed \$75,000,000;

Notwithstanding anything herein to the contrary, any Disposition pursuant to clauses (a) through

(d) shall be for fair market value.

8.6 Restricted Payments. Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that:

(a) each Subsidiary may make Restricted Payments to the Borrower and to wholly-owned Subsidiaries;

(b) the Borrower and each Subsidiary may declare and make dividend payments or other distributions payable solely in the common stock or other common equity interests of such Person;

(c) the Borrower may (1) declare and make other dividend payments and (2) purchase shares of its common stock in one or more series of open market purchases, but only if

(A) the aggregate amount of such dividend payments plus the aggregate purchase price paid for such common stock does not exceed \$400,000,000 for any fiscal year and (B) such dividend payments and stock purchases do not result (after giving effect thereto) in a violation of any provision of Section 8.13;

(d) the Borrower may purchase shares of its common stock for the purpose of making required contributions to, or required distributions under, its employee benefit plans so long as the aggregate dollar amount spent for such stock in any fiscal year of Borrower does not exceed \$20,000,000; and

(e) the Borrower may repurchase Convertible Debentures, whether pursuant to the exercise of the Debenture Put Option by the holder of such debentures or otherwise.

Notwithstanding anything in this Section 8.06 to the contrary, the Borrower may issue Convertible Debentures subject to the limitations in Section 8.03.

8.7 Change in Nature of Business. Engage in any material line of business substantially different from those lines of business conducted by the Borrower and its Subsidiaries on the date hereof or any business substantially related or incidental thereto.

8.8 Transactions with Affiliates. Enter into any transaction of any kind with any Affiliate of the Borrower, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the Borrower or such Subsidiary as would be obtainable by the Borrower or such Subsidiary at the time in a comparable arm's length transaction with a Person other than an Affiliate; provided that the foregoing restriction shall not apply to transactions (x) between or among the Borrower and any Guarantor or between and among any Guarantors or (y) on terms that satisfy Section 482 of the Code and the Treasury Regulations thereunder.

8.9 Burdensome Agreements. Enter into any material Contractual Obligation (other than this Agreement or any other Loan Document) that limits the ability (i) of any Subsidiary to make Restricted Payments to the Borrower or any Guarantor or to otherwise transfer property to the Borrower or any Guarantor or (ii) of any Subsidiary to Guarantee the Indebtedness of the Borrower.

8.10 Use of Proceeds. Use the proceeds of any Credit Extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, in any manner than might cause the Credit Extension or the use of such proceeds to violate Regulation U of the FRB, in each case as in effect on the date or dates of such Credit Extension and such use of proceeds.

8.11 Lease Obligations. Create or suffer to exist any obligations for the payment of rent for any property under lease or agreement to lease, except:

- (a) leases in existence on the date hereof, including the Real Estate Financing Facilities and any renewal, extension or refinancing thereof,
- (b) leases entered into or assumed by Borrower or any Subsidiary after the date hereof in the ordinary course of business; and
- (c) sale and leaseback transactions to the extent not prohibited by any other Contractual Obligation.

8.12 Acquisitions. Acquire all or any part of the assets of, or equity interest in, any Person unless (a) the Person whose equity interests or assets are being acquired is in the same or similar line or lines of business as that engaged in by Borrower and its Subsidiaries, (b) no Default occurs or is created or results from such Acquisition and (c) the Borrower is in compliance with the financial covenants set forth in Section 8.13 on a Pro Forma Basis after giving effect to such Acquisition.

8.13 Financial Covenants.

(a) Consolidated Debt-to-Capitalization Ratio. Permit the Consolidated Debt-to-Capitalization Ratio, as of the last day of each fiscal quarter of the Borrower, to be greater than 0.40 to 1.0.

(b) Consolidated Interest Coverage Ratio. Permit the Consolidated Interest Coverage Ratio, as of the last day of each fiscal quarter of the Borrower, to be less than 3.00 to 1.00.

(c) Adjustment for Currency Translation Adjustments in the Calculation of Financial Covenants. The effect of currency translation adjustments resulting from any change in currency exchange rates occurring after July 31, 2015 will be excluded from the calculation of the Consolidated Debt-to-Capitalization Ratio.

8.14 Off-Balance Sheet Liabilities. Create, incur, assume or suffer to exist any Off-Balance Sheet Liabilities, except:

- (a) Off-Balance Sheet Liabilities outstanding on the date hereof and listed on Schedule 6.18;
- (b) Off-Balance Sheet Liabilities consisting of sale and leaseback transactions;
- (c) Obligations arising under the Permitted Trade Receivables Facilities; or
- (d) Obligations arising under any Real Estate Financing Facility .

8.15 Sanctions. Directly or indirectly, use the proceeds of any Credit Extension, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other individual or entity, to fund any activities of or business with any individual or entity, or in any country or territory, that, at the time of such funding, is a Sanctioned Person or a Designated Jurisdiction, or in any

other manner, in each case as would result in a violation by any individual or entity (including any individual or entity participating in the transaction, whether as Lender, Arranger, Administrative Agent, L/C Issuer, Swing Line Lender, or otherwise) of Sanctions.

8.16 Anti-Corruption Laws. Directly or indirectly use the proceeds of any Credit Extension for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, or would create a material breach of other similar anti-corruption legislation in other jurisdictions.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

9.1 Events of Default. Any of the following shall constitute an Event of Default:

(a) Non-Payment. The Borrower or any other Loan Party fails to pay (i) when and as required to be paid herein, and in the currency required hereunder, any amount of principal of any Loan or any L/C Obligation, or (ii) within three days after the same becomes due, and in the currency required hereunder, any interest on any Loan or on any L/C Obligation, or any facility, utilization or other fee due hereunder, or (iii) within five days after the same becomes due, any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants. The Borrower fails to perform or observe any term, covenant or agreement contained in any of Section 7.01, 7.02, 7.03, 7.05, 7.10, 7.11 or 7.12 or Article VIII; or

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for 30 days; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrower or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect when made or deemed made; or

(e) Cross-Default. (i) The Borrower or any Subsidiary (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness or Guarantee (other than Indebtedness hereunder and Indebtedness under Swap Contracts) having an aggregate principal amount of more than the Threshold Amount, or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness or Guarantee or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such

Indebtedness to be made, prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of

default under such Swap Contract as to which the Borrower or any Subsidiary is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which the Borrower or any Subsidiary is an Affected Party (as so defined) and, in either event, the Swap Termination Value owed by the Borrower or such Subsidiary as a result thereof is greater than the Threshold Amount; (iii) there occurs a Termination Event (as defined in the Transfer and Administration Agreement identified in the definition of Existing Trade Receivables Facilities) under the Transfer and Administration Agreement which Termination Event is not cured or waived; (iv) there occurs a termination event or event of default under any Permitted Trade Receivables Facility which termination event or event of default is not cured or waived within any applicable grace period; or (v) there occurs any event of default under any Real Estate Financing Facility which is not cured or waived within any applicable grace period.

(f) Insolvency Proceedings, Etc. Any Loan Party or any of its Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for 60 calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding; provided, however, that if a Foreign Subsidiary is being liquidated in a transaction otherwise permitted by this Agreement and not involving (i) the bankruptcy, insolvency, or any failure to pay obligations of such Subsidiary, the Borrower or any other Subsidiary, (ii) the application of any Debtor Relief Law, or (iii) any claim of any creditor, and if applicable foreign Law requires the appointment of a liquidator to accomplish such liquidation in the jurisdiction where such Foreign Subsidiary is organized, then the mere appointment and operation of a liquidator for such purpose in such circumstances shall not constitute an Event of Default under this clause (f); or

(g) Inability to Pay Debts; Attachment. (i) The Borrower or any Subsidiary becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or

(ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within 30 days after its issue or levy; or

(h) Judgments. There is entered against the Borrower or any Subsidiary (i) a final judgment or order for the payment of money in an aggregate amount exceeding the Threshold Amount (to the extent not covered by insurance provided by a Person described in Section 7.07 as to which the insurer (and any insurance or reinsurance company reinsuring any such exposure) does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect

and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of 30 consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of the Borrower under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, or (ii) the Borrower or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount; or

(j) Invalidity of Loan Documents. Any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or any Loan Party or any other Person contests in any manner the validity or enforceability of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any Loan Document; or

(k) Change of Control. There occurs any Change of Control with respect to the Borrower.

9.2 Remedies Upon Event of Default. If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) declare the commitment of each Lender to make Loans and any obligation of the L/C Issuers to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts

owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower;

(c) require that the Borrower Cash Collateralize the L/C Obligations (in an amount equal to the Dollar Equivalent Outstanding Amount thereof, as such amount may vary from time to time); and

(d) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents or applicable Law;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States, the obligation of each Lender to make Loans and any obligation of the L/C Issuers to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as

aforesaid shall automatically become due and payable, and the obligation of the Borrower to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

9.3 Application of Funds. After the exercise of remedies provided for in Section 9.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 9.02), any amounts received on account of the Obligations shall be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including Attorney Costs and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders and the L/C Issuers (including Attorney Costs and amounts payable under Article III), ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans and L/C Borrowings and other Obligations, ratably among the Lenders and L/C Issuers in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans and L/C Borrowings, ratably among the Lenders and L/C Issuers in proportion to the respective amounts described in this clause Fourth held by them;

Fifth, to the Administrative Agent for the account of the L/C Issuers, pro rata, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit, to the extent not otherwise Cash Collateralized by the Borrower pursuant to Section 2.03 or 2.15; and

Sixth, to payment of all other amounts due under any of the Loan Documents, if any, to be applied for the ratable benefit of the recipients; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

Subject to Section 2.03(c) and 2.15, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fifth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

ARTICLE X ADMINISTRATIVE AGENT

10.1 Appointment and Authority. Each of the Lenders and each L/C Issuer hereby irrevocably appoints Bank of America 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 the L/C

Issuers, and neither the Borrower nor any other Loan Party shall have 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) obligations 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.

10.2 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, 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.

10.3 Exculpatory Provisions. 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 shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, 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 effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) 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 any of the Borrower or any of its respective Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request 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 Sections 11.01 and 9.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by a 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 by the Borrower, a Lender or an L/C Issuer.

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 of the covenants, agreements or other terms or conditions 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 V or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

10.4 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, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or an L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or such L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, 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.

10.5 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 credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the

negligence or misconduct of any sub-agents 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-agents.

10.6 Resignation of Administrative Agent. (a) The Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuers 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 and the L/C Issuers, 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) (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (2) except for any indemnity payments or other amounts then 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 and each L/C Issuer 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 as provided in Section 3.01(g) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section) . 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 11.04 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 actions taken or omitted to be taken by any of them (i) while the retiring or removed Administrative Agent was acting as Administrative Agent and (ii) after such resignation or removal for as long as any of them continues to act in any capacity

hereunder or under the other Loan Documents, including (a) acting as collateral agent or otherwise holding any collateral security on behalf of any of the Lenders and (b) in respect of any actions taken in connection with transferring the agency to any successor Administrative Agent.

(d) Any resignation by Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation as an L/C Issuer and Swing Line Lender. If Bank of America or another L/C Issuer resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of an L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto, including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c) . If Bank of America resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c) . Upon the appointment by the Borrower of a successor L/C Issuer or Swing Line Lender hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as applicable, (b) the retiring L/C Issuer and Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the retiring L/C Issuer to effectively assume the obligations of the retiring L/C Issuer with respect to such Letters of Credit.

10.7 Non-Reliance on Administrative Agent and Other Lenders. Each Lender and each L/C Issuer acknowledges 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 as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and each L/C Issuer 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.

10.8 No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the bookrunners, arrangers, co-documentation agents or co-syndication agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or an L/C Issuer hereunder.

10.9 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 relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation 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, 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, L/C Obligations 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, the L/C Issuers and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuers and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuers and the Administrative Agent under Sections 2.03(h) and (i), 2.09 and 11.04) 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 and each L/C Issuer 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 and the L/C Issuers, 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 2.09 and 11.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or any L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or any L/C Issuer or to authorize the Administrative Agent to vote in respect of the claim of any Lender or any L/C Issuer in any such proceeding.

10.10 Guaranty Matters.

(a) Each Lender hereby irrevocably (subject to Section 10.06) appoints, designates and authorizes the Administrative Agent to take such action on its behalf under the provisions of this Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any other Loan Document, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Loan Document, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, nor shall the Administrative Agent have or be deemed to have any fiduciary relationship with any Lender or participant, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent. Without limiting the generality of the foregoing sentence, the use of the term "agent" in this Agreement with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

(b) The Administrative Agent is authorized on behalf of all the Lenders, without the necessity of any notice to or further consent from the Lenders, from time to time to enter into agreements whereby the Facility Guaranty is amended to better conform the terms thereof to any form attached to this Agreement or to make administrative or housekeeping corrections to any such agreement.

(c) The Lenders irrevocably authorizes the Administrative Agent, at its option and in its discretion,

(i) to release any Guarantor from its obligations under the Facility Guaranty if such Person ceases to be a Subsidiary as a

result of a transaction permitted hereunder and no Default is then existing; and

(ii) upon receipt by the Administrative Agent of information satisfactory to the Administrative Agent that any Domestic Subsidiary has ceased to be a Significant Subsidiary as a result of a transaction or decline in business permitted hereunder and no Default is then existing, to release such Subsidiary from its obligations under the Facility Guaranty as long as after giving effect thereto the Borrower is in compliance with Section 7.12(b).

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release any Guarantor from its obligations under the Facility Guaranty pursuant to this Section 10.10.

Notwithstanding the release of any Subsidiary from its obligations under the Facility Guaranty, if such Subsidiary is thereafter a Significant Subsidiary that is a Domestic Subsidiary, the requirements of Section 7.12 shall again apply to such Subsidiary.

ARTICLE XI MISCELLANEOUS

11.1 Amendments, Etc. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders and the Borrower or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) waive any condition set forth in Section 5.01(a) without the written consent of each Lender;

(b) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 9.02) without the written consent of such Lender;

(c) postpone any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby;

(d) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (iv) of the second proviso to this Section 11.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby; provided, however, that only the consent of the Required Lenders shall be necessary to amend the definition of "Default Rate" or to waive any obligation of the Borrower to pay interest or Letter of Credit Fees at the Default Rate;

(e) change Section 2.13 or Section 9.03 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender;

(f) amend Section 1.05 or the definition of "Alternative Currency" without the written consent of each Lender;

(g) 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 amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder without the written consent of each Lender; or

(h) release all or substantially all of the value of the Facility Guaranty without the written consent of each Lender;

and, provided further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the applicable L/C Issuer in addition to the Lenders required above, affect the rights or duties of such L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Swing Line Lender in addition to the Lenders required above, affect the rights or duties of the Swing Line Lender under this Agreement; (iii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; and (iv) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto.

Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that (x) the Commitment of such Lender may not be increased or extended, or amounts due to it permanently reduced (other than by way of payment) or the payment date of any outstanding amounts owing to it extended, without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender.

Notwithstanding the fact that the consent of all the Lenders is required in certain circumstances as set forth above, (x) each Lender is entitled to vote as such Lender sees fit on any bankruptcy reorganization plan that affects the Loans, and each Lender acknowledges that the provisions of Section 1126(c) of the

Bankruptcy Code supersedes the unanimous consent provisions set forth herein and (y) the Required Lenders shall determine whether or not to allow a Loan Party to use cash collateral in the context of a bankruptcy or insolvency proceeding and such determination shall be binding on all of the Lenders.

11.2 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 subsection (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 or sent by facsimile as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Borrower, the Administrative Agent, an L/C Issuer or the Swing Line Lender, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 11.02; and

(ii) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire.

Notices and other communication sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communication sent by facsimile 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 and other communication delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the L/C Issuers 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 or any L/C Issuer pursuant to Article II if such Lender or such L/C Issuer, as applicable, 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 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), if such notice, email or other

communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. 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 BORROWER MATERIALS 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, any Lender, any L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to the Borrower, any Lender, any L/C Issuer or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc. Each of the Borrower, the Administrative Agent, each L/C Issuer and the Swing Line Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the Borrower, the Administrative Agent, the L/C Issuers and the Swing Line Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender.

(e) Reliance by Administrative Agent, L/C Issuers and Lenders. The Administrative Agent, the L/C Issuers and the Lenders shall be entitled to rely and act upon any notices (including telephonic Committed Loan Notices and Swing Line Loan Notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Administrative Agent, the L/C Issuers, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

11.3 No Waiver; Cumulative Remedies; Enforcement. No failure by any Lender or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

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 the Loan Parties or any of them 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 9.02 for the benefit of all the Lenders and the L/C Issuers; provided, however, 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) an L/C Issuer or the Swing Line Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer or Swing Line Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 11.08 (subject to the terms of Section 2.13), 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 Section 9.02 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.13, 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.

11.4 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. Subject to any limitations set forth in the Fee Letter with respect to certain fees of counsel to the Administrative Agent, the Borrower shall pay (i) all reasonable 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), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated),

(ii) all reasonable out of pocket expenses incurred by any L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out of pocket expenses incurred by the Administrative Agent, any

Lender or any L/C Issuer (including the fees, charges and disbursements of any counsel for the Administrative Agent, any Lender or any L/C Issuer), and shall pay all fees and time charges for attorneys who may be employees of the Administrative Agent, any Lender or any L/C Issuer, 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 or Letters of Credit issued hereunder, including all such out of pocket expenses

incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and each L/C Issuer, and each Related Party of any 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 reasonable fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by 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, the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by an L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, 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 (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from 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 other Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. Without limiting the provisions of Section 3.01(c), this Section 11.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. 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 subsection (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), an L/C Issuer or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the applicable L/C Issuer 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) of such unpaid amount, 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) or the applicable L/C Issuer

in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) or L/C Issuer in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive 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, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in subsection (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 ten (10) Business Days after demand therefor.

(f) Survival. The agreements in this Section and the indemnity provisions of Section 11.02(e) shall survive the resignation of the Administrative Agent, any L/C Issuer and the Swing Line Lender, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

11.5 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent, an L/C

Issuer or any Lender, or the Administrative Agent, an L/C Issuer or any Lender exercises its right of setoff, 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 the Administrative Agent, such L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and each L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the applicable Overnight Rate from time to time in effect, in the applicable currency of such recovery or payment. The obligations of the Lenders and the L/C Issuers under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

11.6 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 no Loan Party may 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 Eligible Assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) 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 subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the L/C Issuers 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 Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans (including for purposes of this subsection (b), participations in L/C Obligations and in Swing Line 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 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 subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the 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 "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 Loans or the Commitment assigned, except that this clause (ii) shall not apply to the Swing Line Lender's rights and obligations in respect of Swing Line Loans.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (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 (1) an Event of

Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a

Lender or an Approved Fund;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required 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; and

(C) the consent of the L/C Issuers and the consent of the Swing Line Lender shall be required for any assignment.

(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 in the amount of \$3,500; provided, however, that the Administrative Agent may, in its sole 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

(A) to the Borrower or any of the Borrower's Affiliates or Subsidiaries, (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or

(C) to a natural Person (or to a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural Person).

(vi) 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, each L/C Issuer or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swing Line Loans in accordance with its Pro Rata Share. 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 paragraph, 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 subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the Eligible 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 3.01, 3.04, 3.05, and

11.04 with respect to facts and circumstances occurring prior to the effective date of such assignment. Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection 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 subsection (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at the Administrative Agent's Office 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 of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent and the Lenders may 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, notwithstanding notice to the contrary. In addition, the Administrative Agent shall maintain in the Register information regarding the designation, and revocation of designation, of any Lender as a Defaulting Lender. The Register shall be available for inspection by the Borrower and any L/C Issuer at any reasonable time and from time to time upon reasonable prior notice. In addition, at any time that a request for a consent for a material or substantive change to the Loan Documents is pending, any Lender may request and receive from the Administrative Agent a copy of the Register.

(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, a Defaulting Lender 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 (including such Lender's participations in L/C Obligations and/or Swing Line 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, the Lenders and the L/C Issuer 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 11.04(c) without regard to the existence of any participation.

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, waiver or other modification described in the first proviso

to Section 10.01 that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section (it being understood that the documentation required under Section 3.01(e) shall be delivered to the Lender who sells the participation) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 3.06 and 11.13 as if it were an assignee under paragraph (b) of this Section and (B) shall not be entitled to receive any greater payment under Sections 3.01 or 3.04, with respect to any participation, than the Lender from whom it acquired the applicable participation 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 effectuate the provisions of Section 3.06 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.13 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, letter of credit 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 (including under its Note(s), if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; 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.

(f) Resignation as L/C Issuer or Swing Line Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time Bank of America or another L/C Issuer assigns all of its Commitment and Loans pursuant to subsection (b) above, (i) Bank of America or such other L/C Issuer may, upon 30 days' notice to the Borrower and the Lenders, resign as an L/C Issuer and/or (ii) Bank of America may, upon 30 days' notice to the Borrower, resign as Swing Line Lender. In the event of any such resignation as an L/C Issuer or Swing Line Lender, the Borrower shall be entitled to appoint from among the Lenders a successor

L/C Issuer or Swing Line Lender hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of Bank of America or such other L/C Issuer as an L/C Issuer or Swing Line Lender, as the case may be. If Bank of America or another L/C Issuer resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of an L/C Issuer hereunder with respect to all Letters of Credit issued by it and outstanding as of the effective date of its resignation as an L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Committed Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c)). If Bank of America resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Committed Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section

2.04(c). Upon the appointment of a successor L/C Issuer and/or Swing Line Lender, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as the case may be, and (b) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the resigning L/C Issuer to effectively assume the obligations of the resigning L/C Issuer with respect to such Letters of Credit.

11.7 Treatment of Certain Information; Confidentiality. Each of the Administrative Agent, the Lenders and the L/C Issuers agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (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 requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies 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 or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) on a confidential basis to (i) any rating agency in connection with rating the Company or its Subsidiaries or the credit facilities provided hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, (h) with the consent of the Borrower or (i) 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, any L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower. 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 and service providers to the Agents and the Lenders in connection with the administration of this Agreement, the other Loan Documents, and the Commitments.

For purposes of this Section, "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 or any L/C Issuer 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.

Each of the Administrative Agent, the Lenders and the L/C Issuer acknowledges that (a) the Information may include material non-public information concerning the Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

11.8 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, each L/C Issuer 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 L/C Issuer 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 such L/C Issuer, irrespective of whether or not such Lender or such L/C Issuer 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 or office of such Lender or such L/C Issuer different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender, each L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, such L/C Issuer or their respective Affiliates may have; 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 2.15 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. Each Lender and each L/C Issuer 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.

11.9 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If

the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium

rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

11.10 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 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 5.01, 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 other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement.

11.11 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

11.12 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and

(b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 11.12, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, an L/C Issuer or the Swing Line Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

11.13 Replacement of Lenders. If (i) any Lender requests compensation under Section 3.04, (ii) the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, (iii) if any Lender is a Defaulting Lender, (iv) a Lender (a " **Non-Consenting Lender** ") does not consent to a proposed change, waiver, discharge or termination with respect to any Loan Document that has been approved by the Required Lenders as provided in Section 11.01 but requires unanimous consent of all Lenders or all Lenders directly affected thereby (as applicable), or (v) a Lender does not approve another Alternative Currency requested by the Borrower, 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 11.06), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Borrower shall have paid to the Administrative Agent the assignment fee specified in Section 11.06(b);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) 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);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter; and

- (d) such assignment does not conflict with applicable Laws.

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.

11.14 Governing Law; Jurisdiction; Etc.

(a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF FLORIDA.

(b) SUBMISSION TO JURISDICTION. THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF FLORIDA SITTING IN PINELLAS COUNTY OR HILLSBOROUGH COUNTY, FLORIDA, AND OF THE UNITED STATES DISTRICT COURT OF THE MIDDLE DISTRICT OF FLORIDA, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH FLORIDA 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 OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON

THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR ANY L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. THE BORROWER AND EACH OTHER LOAN PARTY 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 PARAGRAPH (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 11.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

11.15 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.

11.16 USA PATRIOT Act Notice. Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "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 or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Act. The Borrower shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the

Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act.

11.17 Judgment Currency. If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of the Borrower in respect of any such sum due to the Administrative Agent or the Lenders hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "Agreement Currency"), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent in the Agreement Currency, the Borrower agrees, jointly and severally, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or the Person to whom such obligation was owing against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent in such currency, the Administrative Agent agrees to return the amount of any excess to the Borrower (or to any other Person who may be entitled thereto under applicable law).

11.18 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees that:

(i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent and the Arrangers are arm's-length commercial transactions between the Borrower, each other Loan Party and their respective Affiliates, on the one hand, and the Administrative Agent and the Arrangers, on the other hand, (B) the Borrower and the other Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower and each other Loan Party is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) each of the Administrative Agent and each Arranger is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower, any other Loan Party or any of their respective Affiliates, or any other Person and

(B) neither the Administrative Agent nor any Arranger has any obligation to the Borrower, any other Loan Party or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent and each Arranger and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower, the other Loan Parties and their respective Affiliates, and neither the Administrative Agent nor each Arranger has any obligation to disclose any of such interests to the Borrower, any other Loan Party or any of their respective Affiliates. To the fullest extent permitted by law, the Borrower and the other Loan Parties hereby waives and releases any claims that it may have against the Administrative Agent and the Arrangers with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

11.19 Electronic Execution of Assignments and Certain Other Documents.

The words "execute," "execution," "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including without limitation Assignment and Assumptions, amendments or other modifications, Committed Loan Notices, Swing Line Loan Notices, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, 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; provided that notwithstanding anything contained herein to the contrary the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it.

11.20 Amendment and Restatement .

The Borrower agrees that this Agreement amends and restates and is substituted for (and is not executed in novation of) the Existing Credit Agreement and that the outstanding obligations of the Borrower under the Existing Credit Agreement are now evidenced by this Credit Agreement. All "Loans" made and "Obligations" incurred under (and as defined in) the Existing Credit Agreement which are outstanding on the Closing Date shall continue as Loans and Obligations under (and shall be governed by the terms of) this Credit Agreement and under the other Loan Documents. Without limitation of the foregoing, the Borrower acknowledges, confirms and agrees that it is responsible for the Obligations hereunder in its capacity as the Borrower. The Borrower acknowledges that it has reviewed the terms and provisions of this Credit Agreement, and consents to the amendment and restatement of the Existing Credit Agreement effected pursuant to this Credit Agreement and reaffirms its obligations with respect to the payment and performance of all such Obligations which are obligations of the Borrower now or hereafter existing.

BORROWER: TECH DATA CORPORATION,
a Florida corporation

By: /s/ Scott W. Walker

Name: Scott W. Walker

Title: Treasurer

ADMINISTRATIVE AGENT: **BANK OF AMERICA , N.A.,**
as Administrative Agent

By: /s/ Robert J. Rittelmeyer

Name: Robert J. Rittelmeyer
Title: Vice President

LENDERS: BANK OF AMERICA, N.A.,

as a Lender, an L/C Issuer and Swing Line Lender

By: /s/ Jeannette Lu

Name: Jeannette Lu

Title: Vice President

CITIBANK, N.A.
as a Lender and an L/C Issuer

By: /s/ Susan M. Olsen

Name: Susan M. Olsen

Title: Vice President

JPMORGAN CHASE BANK, N.A.
as a Lender and an L/C Issuer

By: /s/ Justin Kelley

Name: Justin Kelley

Title: Vice President

THE BANK OF NOVA SCOTIA

By: /s/ Eugene Dempsey

Name: Eugene Dempsey

Title: Director

SUNTRUST BANK

By: /s/ James R Spaulding

Name: James R Spaulding

Title: FVP

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.

By: /s/ Matthew Antioco

Name: Matthew Antioco

Title: Vice President

U.S. BANK, NATIONAL ASSOCIATION

By: /s/ Brian Seipke

Name: Brian Seipke

Title: Vice President

UNICREDIT BANK AG, NEW YORK BRANCH

By: /s/ Douglas Riahi

Name: Douglas Riahi

Title: Managing Director

By: /s/ Bryon Korutz

Name: Bryon Korutz

Title: Associate Director

**HSBC BANK USA, NATIONAL
ASSOCIATION**

By: /s/ Richard Lavina

Richard Lavina

Title: EVP Head of Southeast
Large Corporate

Name:

SKANDINAVISKA ENSKILDA BANKEN AB
(publ)

By: /s/ Penny Neville-Park

Name: Penny Neville-Park

Title: Authorized signatory

By: /s/ Duncan Nash

Name: Duncan Nash

Title: Authorized signatory

BRANCH BANKING & TRUST COMPANY

By: /s/ Kelly Attayek

Name: Kelly Attayek

Title: Assistant Vice President

FORM OF COMMITTED LOAN NOTICE

Date: __, __

To: Bank of America, N.A., as Administrative Agent Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement, dated as of November 5, 2015 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined), among Tech Data Corporation, a Florida corporation (the "Borrower"), the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent, L/C Issuer and Swing Line Lender.

The undersigned hereby requests (select one):

- A Borrowing of Committed Loans A conversion or continuation of Loans

1. On __ (a Business Day).

2. In the amount of __. [State currency and amount]

3. Comprised of __.

[Type of Committed Loan requested]

4. For Eurocurrency Rate Loans: with an Interest Period of __

[one week] [__ months] .

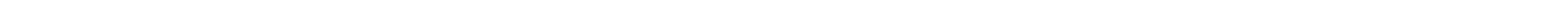
The Committed Borrowing requested herein complies with the proviso to the first sentence of Section 2.01 of the Agreement.

The Borrower hereby represents and warrants that the conditions specified in Sections 5.02(a) and (b) shall be satisfied on and as of the date of the Credit Extension.

TECH DATA CORPORATION

By: __ Name:

Title:



FORM OF SWING LINE LOAN NOTICE

Date: __, __

To: Bank of America, N.A., as Swing Line Lender Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement, dated as of November 5, 2015 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement," the terms defined therein being used herein as therein defined), among Tech Data Corporation, a Florida corporation (the "Borrower"), the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent, L/C Issuer and Swing Line Lender.

The undersigned hereby requests a Swing Line Loan:

1. On __ (a Business Day).
2. In the amount of \$ __.

The Swing Line Borrowing requested herein complies with the requirements of the provisos to the first sentence of Section 2.04(a) of the Agreement.

The Borrower hereby represents and warrants that the conditions specified in Sections 5.02(a) and (b) shall be satisfied on and as of the date of the Credit Extension.

TECH DATA CORPORATION

By: __ Name: __

Title: __

FORM OF NOTE

___, 2015

FOR VALUE RECEIVED, the undersigned (the "Borrower"), hereby promises to pay to

___ or registered assigns (the "Lender"), in accordance with the provisions of the Agreement (as hereinafter defined), the principal amount of each Loan from time to time made by the Lender to the Borrower under that certain Amended and Restated Credit Agreement, dated as of November 5, 2015 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement," the terms defined therein being used herein as therein defined), among the Borrower, the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent, L/C Issuer and Swing Line Lender.

The Borrower promises to pay interest on the unpaid principal amount of each Loan from the date of such Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Agreement. Except as otherwise provided in Section 2.04(f) of the Agreement with respect to Swing Line Loans, all payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in the currency in which such Loan was denominated in Same Day Funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Agreement.

This Note is one of the Notes referred to in the Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Note is also entitled to the benefits of the Facility Guaranty. Upon the occurrence and continuation of one or more of the Events of Default specified in the Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable all as provided in the Agreement. Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Note and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA.

TECH DATA CORPORATION

By: ___Name: ___

Title: ___

FORM OF COMPLIANCE CERTIFICATE

Financial Statement Date: __,

To: Bank of America, N.A., as Administrative Agent Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement, dated as of November 5, 2015 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined), among Tech Data Corporation, a Florida corporation (the "Borrower"), the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent, L/C Issuer and Swing Line Lender.

The undersigned Responsible Officer 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 the behalf of the Borrower, and that:

*[Use following paragraph 1 for fiscal **year-end** financial statements]*

1. Attached hereto as Schedule 1 are the year-end audited financial statements required by Section 7.01(a) of the Agreement for the fiscal year of the Borrower ended as of the above date, together with the report and opinion of an independent certified public accountant required by such section.

*[Use following paragraph 1 for fiscal **quarter-end** financial statements]*

1. Attached hereto as Schedule 1 are the unaudited financial statements required by Section 7.01(b) of the Agreement for the fiscal quarter of the Borrower ended as of the above date. Such financial statements fairly present the financial condition, results of operations and cash flows of the Borrower and its Subsidiaries in accordance with GAAP as at such date and for such period, subject only to normal year- end audit adjustments and the absence of footnotes.

2. The undersigned has reviewed and is familiar with the terms of the Agreement and has made, or has caused to be made under his/her supervision, a detailed review of the transactions and condition (financial or otherwise) of the Borrower during the accounting period covered by the attached financial statements.

3. A review of the activities of the Borrower during such fiscal period has been made under the supervision of the undersigned with a view to determining whether during such fiscal period the Borrower performed and observed all its Obligations under the Loan Documents, and

[select one:]

[to the best knowledge of the undersigned during such fiscal period, the Borrower performed and observed each covenant and condition of the Loan Documents applicable to it, and no Default has occurred and is continuing.]

--or--

[the following covenants or conditions have not been performed or observed and the following is a list of each such Default and its nature and status:]

4. The representations and warranties of the Borrower contained in Article VI of the Agreement, or which are contained in any document furnished at any time under or in connection with the Loan Documents, are true and correct in all material respects (unless such representation or warranty is already qualified by materiality or Material Adverse Effect, in which case it 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 are true and correct in all material respects (unless such representation or warranty is already qualified by materiality or Material Adverse Effect, in which case it shall be true and correct in all respects) as of such earlier date, and except that for purposes of this Compliance Certificate, the representations and warranties contained in subsections (a) and (b) of Section

6.05 of the Agreement shall be deemed to refer to the most recent statements furnished pursuant to clauses

(a) and (b), respectively, of Section 7.01 of the Agreement, including the statements in connection with which this Compliance Certificate is delivered.

5. The financial covenant analyses and information set forth on Schedule 2 attached hereto are true and accurate on and as of the date of this Compliance Certificate.

[Include paragraph 6 in connection with fiscal year-end Compliance Certificates.]

6. Attached hereto as Schedule 3 are any updates or supplements as necessary to ensure that Schedule 6.13 to the Agreement is accurate and complete as of the date of this Compliance Certificate.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of __
__, __.

TECH DATA CORPORATION

By: __Name: __

Title: __

For the Quarter/Year ended ___ (" Statement Date ")

SCHEDULE 2

to the Compliance Certificate (\$ in 000's)

I. **Section 8.13(a) — Consolidated Debt-to-Capitalization Ratio.** ^{1&3}

A. Consolidated Funded Indebtedness at Statement Date: \$ __

B. Consolidated Total Capitalization at Statement Date:

1. Consolidated Funded Indebtedness at Statement Date: \$ __

2. Shareholder's Equity: \$ __

3. Consolidated Total Capitalization (Lines III.B.1 + 2): \$ __

C. Consolidated Debt-to-Capitalization Ratio (Line II.A. ÷ Line II.B.3): \$ __

Maximum permitted : 0.40 to 1.00

II. **Section 8.13(b) — Consolidated Interest Coverage Ratio.** ²

A. Consolidated EBITDA for four consecutive fiscal quarters ending on above date (" Subject Period ")

1. Consolidated Net Income for Subject Period: \$ __

2. Consolidated Interest Charges ³ for Subject Period: \$ __

3. Provision for income taxes for Subject Period: \$ __

4. Depreciation expense for Subject Period: \$ __

5. Amortization expense for Subject Period: \$ __

6. Consolidated EBITDA (Lines III.A.1 + 2 + 3 + 4 + 5): \$ __

B. Consolidated Interest Charges ⁴ for Subject Period: \$ __

¹ The effect of currency translation adjustments resulting from any change in currency exchange rates occurring after July 31, 2011 will be excluded from the calculation of the Consolidated Debt-to-Capitalization Ratio.

[² The effect of any non-cash changes due to impairments in accordance with Financial Accounting Standards Statement of Financial Standards No. 142 or any non-cash changes due to the expensing of non-vested stock options existing in January 31, 2011, in accordance with FASB Statement of Financial Standards No. 123R or successor FASB Standard relating to the expensing of stock options shall be disregarded for the calculation of the Consolidated Debt-to-Capitalization Ratio and the Consolidated Interest Coverage Ratio.]

³ Consolidated Interest Charges are not reduced by interest income.

C. Consolidated Interest Coverage Ratio (Line III.A.6 ÷ Line

III.B): ___ to 1.00

Minimum permitted: 3.00 to 1.00

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (this "Assignment and Assumption") is dated as of the 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.] ⁴Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the 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 (including, without limitation, the Letters of Credit and the Swing Line Loans included in such facilities ⁵) 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 [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

Assignor[s]: —

Assignee[s]: —

[for each Assignee, indicate [Affiliate][Approved Fund] of [*identify Lender*]]

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.

5 Include all applicable subfacilities.

3. Borrower: Tech Data Corporation, a Florida corporation
4. Administrative Agent: Bank of America, N.A., as the administrative agent
under the Credit Agreement
5. Credit Agreement: The Amended and Restated Credit Agreement, dated as
of November 5, 2015 among Tech Data Corporation, the Lenders parties thereto, and Bank of
America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer
6. Assigned Interest:

<u>Assignor[s]</u> ⁶	<u>Assignee[s]</u> ⁷	<u>Facility Assigned</u> ⁸	Aggregate Amount of Commitment/Loans for <u>all Lenders</u> ⁹	Amount of Commitment/ Loans <u>Assigned</u>	Percentage Assigned of Commitment/ <u>Loans</u> ¹⁰	CUSIP <u>Number</u>
			\$	\$	%	

[7. Trade Date: ___] ¹¹

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

[NAME OF ASSIGNOR]

By: Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By: Title:

[Consented to and] ¹² Accepted:

⁶ List each Assignor, as appropriate.

⁷ List each Assignee, as appropriate.

⁸ Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g. "Revolving Credit Commitment", "Term A Commitment", etc.).

⁹ Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

¹⁰ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

¹¹ To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

¹² To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

BANK OF AMERICA, N.A.,
as Administrative Agent

By: ___

Title:

[Consented to:] ¹³

By: _____

Title:

¹³ To be added only if the consent of the Borrower and/or other parties (e.g. Swing Line Lender, L/C Issuer) is required by the terms of the Credit Agreement.

ANNEX 1 TO ASSIGNMENT AND ASSUMPTION

**AMENDED AND RESTATED CREDIT AGREEMENT DATED AS OF NOVEMBER 5, 2015, AMONG TECH DATA CORPORATION,
THE LENDERS PARTIES THERETO,
AND BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT, SWING LINE LENDER AND L/C ISSUER**

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1. Assignor. [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 and (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 (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. [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 requirements of an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (iii) from and after the 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][such] Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire [the][such] 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 7.01 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) if it is a Foreign Lender, attached hereto 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 upon 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 which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the 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 Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date.

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 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 Florida.

EXHIBIT F-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 Amended and Restated Credit Agreement dated as of November 5, 2015 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Tech Data Corporation (the "Borrower"), the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer.

Pursuant to the provisions of Section 3.01 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 Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

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 or W-8BEN-E, as applicable. 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.

[NAME OF LENDER]

By: __

Name: __

Title: __

Date: __, 20[]

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 Amended and Restated Credit Agreement dated as of November 5, 2015 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Tech Data Corporation (the "Borrower"), the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer.

Pursuant to the provisions of Section 3.01 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 Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or W-8BEN-E, as applicable. 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.

[NAME OF PARTICIPANT]

By: __

Name: __

Title: __

Date: __, 20[]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement dated as of November 5, 2015 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Tech Data Corporation (the "Borrower"), the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer.

Pursuant to the provisions of Section 3.01 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 Code, (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 Code 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 Code.

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 W-8BEN-E, as applicable, or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or W-8BEN-E, as applicable, 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.

[NAME OF PARTICIPANT]

By: __

Name: __

Title: __

Date: __, 20[]

EXHIBIT F-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 Amended and Restated Credit Agreement dated as of November 5, 2015 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Tech Data Corporation (the "Borrower"), the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer.

Pursuant to the provisions of Section 3.01 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 Code, (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 Code 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 Code.

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 W-8BEN-E, as applicable, 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.

[NAME OF LENDER]

By: __

Name: __

Title: __

Date: __, 20[]

Letter of Credit Report

TO: Bank of America, N.A., as Administrative Agent

RE: Amended and Restated Credit Agreement, dated as of November 5, 2015 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement"; the terms defined therein being used herein as therein defined), among Tech Data Corporation (the "Borrower"), the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer

DATE: ____

The undersigned, [] (the "L/C Issuer") hereby delivers this report to the Administrative Agent, pursuant to the terms of Section 2.03(k) of the Credit Agreement.

Set forth in the table below is a description of each Letter of Credit issued by the undersigned and outstanding on the date hereof.

L/C No.	Maximum Face Amount	Current Face Amount	Currency	Financials or Performance SBLC	Beneficiary Name	Issuance Date	Expiry Date	Auto Renewal	Date of Amendment	Amount of Amendment

Delivery of an executed counterpart of a signature page of this notice by fax transmission or other electronic mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this notice.

[],



as L/C Issuer

By: ___Name: ___Title: ___

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EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is executed on the 1st day of February, 2016 by and between Tech Data Corporation, a Florida corporation (the "Employer"), and Richard Hume (the "Employee").

RECITALS

- A. Employee desires to serve in the position of Chief Operating Officer.
- B. Employer desires to employ Employee in the position of Chief Operating Officer.

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements set forth herein, the receipt and adequacy of which are hereby acknowledged, Employer and Employee agree as follows:

1. **Employment**.

1.1 **Position**. Subject to the terms and conditions of this Agreement, Employer shall engage Employee, and Employee hereby accepts employment, in the position of Chief Operating Officer, with all the duties, responsibilities and authority normally associated with such position. Employer and Employee acknowledge that, as Chief Operating Officer, Employee shall report to the Chief Executive Officer (the "CEO") of the Employer.

1.2 **Duties/Other Employment**. During his employment with Employer, Employee shall devote substantially all of his business time and all reasonable efforts to his employment and perform diligently such duties. Employee shall not, without the prior written consent of the CEO, directly or indirectly, other than in the performance of duties naturally inherent in the businesses of Employer and/or in furtherance thereof, render services of a business, professional or commercial nature to any other person or firm, whether for compensation or otherwise; provided, however, that so long as it does not interfere with his full-time employment hereunder, Employee may attend to outside investments, and upon approval of the Compensation Committee of the Employer's Board of Directors (the "Compensation Committee"), the Employee may serve as a director of a corporation which does not compete with Employer (within the meaning of Section 5.1), and serve as a director, trustee or officer of or otherwise participate in educational, welfare, social, religious and civic organizations. Employee's work location shall be at the Employer's headquarters in Clearwater, Florida. In Employee's position as an officer of the Employer, he will be subject to Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the Employer shall assist Employee in timely making any requisite filings with the Securities and Exchange Commission ("SEC").

2. Employment Term. Subject to the provisions for termination as hereinafter provided, the term of Employee's employment with the Employer shall begin on March 1, 2016 or such other date as the Employer and Employee may mutually agree (the "Effective Date") and shall continue until such time as it is terminated as provided in Section 7 (the "Term").

3. Remuneration. During the Term that Employee is employed by Employer pursuant to this Agreement, Employer shall pay, provide or make available to Employee the following compensation, remuneration and other benefits:

3.1 Salary. As compensation for Employee's services to Employer, Employer shall pay Employee an annual base salary in the amount of Six Hundred Fifty Thousand dollars (\$650,000) (the "Base Salary") in biweekly installments consistent with its practices at its Clearwater, Florida location (subject to all applicable governmental withholdings, and any deductions or withholdings authorized by Employee). The Base Salary shall be reviewed annually by the Compensation Committee on the same basis as applicable to the other senior executive officers, provided that during the initial twenty-four months of Employee's employment (the "Initial Period"), the Base Salary shall not be reduced unless such reduction is made in conjunction with and in the same proportion as base salary reductions applicable to the Employer's other senior executive officers.

3.2 Annual Bonus. During each fiscal year in the Term, Employee shall be eligible to participate in the Employer's Executive Incentive Bonus Plan or such other annual bonus plan applicable to the Employer's senior executive officers. Employee's target bonus opportunity for the 2017 fiscal year ("FY2017") has been separately communicated to Employee. Employee's actual bonus earned for FY2017 shall be subject to proration in the event the Effective Date does not occur on or prior to March 1, 2016. Proration, if any, shall be based on the number of days from the Effective Date through the last day of FY2017. The target bonus opportunity shall be reviewed annually by the Compensation Committee on the same basis as applicable to the other senior executive officers, provided that during the Initial Period, the Employee's target bonus opportunity shall not be reduced unless such reduction is made in conjunction with, and in the same proportion as, reductions in the target bonus opportunity applicable to the Employer's other senior executive officers.

3.3 Equity Incentives. In each fiscal year during the Term, Employee shall be entitled to participate in long-term equity incentives provided by Employer to its senior executive officers. The amount of such awards and the terms and conditions thereof shall be determined by the Compensation Committee on the same basis as applicable to the other senior executive officers. Employee's initial award of long-term equity incentives shall be granted during March 2016 (or, if the Effective Date is later, upon the Compensation Committee meeting for the Employer's fiscal quarter in which the Effective Date occurred). The amount of such initial award has been separately communicated to Employee.

3.4 Buy-Out Equity. In consideration of Employee's forfeiture of certain compensation from Employee's prior employer, at the time of the award of the initial long-term equity incentives described in Section 3.3 above, Employee shall also receive a special grant of time-based restricted stock units with a value of \$850,000 (the "Buy-Out RSUs"). Except as otherwise

provided in this Agreement, the Buy-Out RSUs will be subject to the same vesting and other terms and conditions applicable to the initial award of restricted stock units under Section 3.3 above. For avoidance of doubt, the time-based vesting schedule for the Buy-Out RSUs shall be no less favorable than 25% on each of the first two anniversaries and 50% on the third anniversary of the date of grant.

3.5 Benefits, Reimbursement of Expenses, Etc. Employee shall be eligible to participate in or receive benefits under the health and welfare, deferred compensation and retirement plans generally provided or made available to other senior executive officers of Employer from time to time, including the Executive Choice Plan as a Tier 1 participant, subject to the regular eligibility, operational and other requirements of such plans. In recognition of incremental, one-time expenses Employee will incur, Employee shall be entitled to use the Executive Choice Plan for FY2017 for attorney fees incurred in the negotiation of this Agreement.

3.6 Relocation. Employee acknowledges and agrees that Employer requires him to relocate his principal family residence to Florida. Employer agrees to provide Employee with relocation benefits pursuant to the relocation policy which has been separately provided to Employee. In addition, Employer will provide full tax gross-up payments to Employee with respect to all reimbursements and payments described in this Section 3.6 (to the extent includable in Employee's income and/or subject to Social Security or Medicare taxes and not otherwise deductible by Employee) computed using the highest applicable marginal income, Social Security or Medicare tax rates, but assuming no state income tax (as is the case with Florida residents). In the event Employee is subject to any state income taxes with respect to reimbursements or payments under this Section 3.6, Employer's obligation to provide a full tax gross-up shall also apply to such state incomes. All reimbursements and payments to Employee under this Section 3.6 shall be made to Employee within 30 days of submission of applicable receipts or invoices and in all event not later than the end of the taxable year after the taxable year in which such expenses were incurred or taxes for which a tax gross-up payment is due were paid by Employee.

3.7 Vacation. Employee shall be entitled to 5 weeks of vacation and sick leave each year, in accordance with Employer's policies for senior executive officers as in effect from time to time.

3.8 Code Section 280G. In the event that it is determined that any payment or distribution of any type to or for Employee's benefit made by the Employer, by any of its affiliates, by any person who acquires ownership or effective control or ownership of a substantial portion of the Employer's assets (within the meaning of Code Section 280G and the regulations thereunder) or by any affiliate of such person, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (collectively, the "Total Payments"), would be subject to the excise tax imposed by Code Section 4999 or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest or penalties, are collectively referred to as the "Excise Tax"), then such payments or distributions or benefits shall be payable either: (i) in full or (ii) as to such lesser amount which would result in no portion of such payments or distributions or benefits being subject to the Excise Tax. Employee shall receive the greater, on an after-tax basis, of the amount reflected in (i) or (ii) above.

If the Total Payments must be reduced as provided in the previous paragraph, the reduction shall occur in the following order: (1) reduction of cash payments for which the full amount is treated as a “parachute payment” (as defined under Code Section 280G and the regulations thereunder); (2) cancellation of accelerated vesting (or, if necessary, payment) of cash awards for which the full amount is not treated as a parachute payment; (3) reduction of any continued employee benefits and (4) cancellation of any accelerated vesting of equity awards. In selecting the equity awards (if any) for which vesting will be reduced under clause (4) of the preceding sentence, awards shall be selected in a manner that maximizes the after-tax aggregate amount of reduced Total Payments provided to Employee, provided that if (and only if) necessary in order to avoid the imposition of an additional tax under Section 409A of the Code, awards instead shall be selected in the reverse order of the date of grant. For the avoidance of doubt, for purposes of measuring an equity compensation award’s value to Employee when performing the determinations under the preceding paragraph, such award’s value shall equal the then aggregate fair market value of the vested shares underlying the award less any aggregate exercise price less applicable taxes. If two or more equity awards are granted on the same date, each award will be reduced on a pro-rata basis.

Employee and the Employer shall furnish such documentation and documents as may be necessary for the Employer’s independent external accountants to perform the requisite Code Section 280G computations and analysis. The Employer shall bear all costs that may be incurred in connection with performing any calculations contemplated by this Section 3.8.

4. Confidentiality, Non-Compete, Non-Disparagement, Etc.

4.1 Confidential Information.

(a) Employee acknowledges that Employer’s Confidential Information is the exclusive property of Employer, is material and confidential, and greatly affects the effective and successful conduct of the business of Employer. Employee agrees to use Employer’s Confidential Information only for the benefit of Employer and shall not at any time, directly or indirectly, either during Employee’s employment with Employer or afterward, divulge, reveal or communicate Employer’s Confidential Information to any person, firm, corporation or entity whatsoever, or use Employer’s Confidential Information for Employee’s own benefit or for the benefit of others.

(b) Definition. As used in this Section 4.1, the term “Confidential Information” means any and all information, including, but not limited to, information or ideas conceived or developed by Employee, applicable to or in any way related to (i) the present or future business of Employer, (ii) research and development related to Employer’s business, (iii) the business of any customer or vendor of Employer, (iv) trade secrets, (v) processes, formulas, data, program documentation, algorithms, source codes, object codes, know-how, improvements, inventions, and techniques, (vi) all plans or strategies for marketing, development and pricing, and (vii) all information concerning existing or potential customers or vendors, and all similar information disclosed to Employer by other persons and any information in documents or computers that Employer designates as confidential by notation therein or thereon.

4.2 Non-Disparagement and Non-Publication. Employee shall not, at any time, denigrate or disparage Employer or any of its Board of Directors or officers, and Employer and its Board of Directors and officers shall not, at any time, denigrate or disparage Employee.

4.3 Return of Employer's Property. Employee agrees to make a prompt and complete disclosure to Employer of any Confidential Information in Employee's possession, upon such a request by Employer. Upon termination of employment and at any other time upon request, Employee further agrees to surrender to Employer all documents, writings and other such materials produced by Employee or coming into Employee's possession by or through employment with Employer during the term of such employment, and agrees that all such materials are at all times Employer's property.

4.4 Cooperation. Employee agrees to fully cooperate, in all reasonable respects, with Employer in regard to any internal or external investigations of Employer, its business, its business practices or the like relating to the period in which Employee is or was employed by Employer. If Employee is requested to provide assistance after termination of his employment, then he will be reimbursed for any reasonable expenses. All payments to Employee under this Section 4.4 shall be made within 30 days of submission of applicable receipts or invoices.

4.5 Legal Disclosure. Notwithstanding the foregoing, no confidentiality, non-disparagement or other obligation owed by Employee to the Employer or its affiliates shall prohibit Employee from reporting, whether anonymously or on a disclosure basis, possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or shall require Employee to notify the Employer or its affiliates of any such report, and none of the Employer or any of its affiliates will retaliate against Employee for any such report. In making any such report, however, Employee is not authorized to disclose communications with counsel that were made for the purpose of receiving legal advice, that contain legal advice or that are protected by the attorney work product or similar privilege.

5. Non-Compete and Non-Solicitation Provisions.

5.1 Non-Compete. As a condition to Employer's obligations under this Agreement, Employee agrees that for a period of one (1) year following the effective date of separation of employment from Employer, anywhere in the world (and each incorporated and unincorporated area thereof), Employee will not own, manage, operate, control, be employed by, act as an agent for, participate in or be connected in any manner with the ownership, management, operation or control of any business which is engaged in wholesale distribution of computer hardware and/or software products or mobility products or IT services as its primary line of business, including but not limited to Ingram-Micro or its affiliates, ALSO/Actebis, West Coast, Arrow Electronics, Inc., Avnet, Synnex, Brightstar, CDW, Amazon, D&H Distributing Co, Insight, Pivot and Dell. Nothing contained in this Section 5.1 shall be interpreted to prohibit Employee from owning stock in publicly traded corporations that may compete with Employer provided such stock ownership does not represent a majority or controlling interest in such corporations.

5.2 Non-Solicitation. Employee also agrees that for a period of one (1) year following the effective date of separation of employment from Employer, Employee will not: (i) directly or indirectly, hire or participate in the hiring of any employee of Employer or its subsidiaries, provided, however that this restriction shall not apply either to former employees of Employer or to employees who respond to a general advertisement; (ii) solicit or induce, or attempt to solicit or induce, any employee of Employer or its subsidiaries to leave Employer for any reason; and (iii) solicit or induce, or attempt to solicit or induce any customer of or vendor to Employer or its subsidiaries to stop doing business with or move some or all of such customer or vendor business to a person or entity other than Employer and its subsidiaries. Employee acknowledges that irreparable harm will be suffered by Employer in the event of the breach or potential breach by Employee of any of Employee's obligations under this Section 5.

5.3 Invalid Provision. The validity or unenforceability of any provision of this Section 5 shall not affect the validity or enforceability of any other provision of this Agreement. Employee and Employer have specifically agreed and acknowledged that the provisions in Section 5 are fair, reasonable and material. If the scope of any restriction or covenant contained herein should be or become too broad or extensive to permit enforcement to its fullest extent, then such restriction or covenant shall be enforced to the maximum extent permitted by law, and Employee hereby consents and agrees that (a) it is the parties intention and agreement that this Section 5 be enforced as written, and (b) in the event a court of competent jurisdiction should determine that any restriction or covenant is too broad or extensive to permit enforcement to its fullest extent, the scope of any such restriction or covenant may be modified but only as necessary as the court, in its judgment, deems warranted in order to have the fullest enforcement possible consistent with governing law.

5.4 Interpretation. Should any provision of this Section 5 be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, such provision shall immediately become null and void, leaving the remainder of this Section 5 in full force and effect.

6. Equitable Relief and Survival. The parties acknowledge that if Employee were to breach the provisions of Sections 4 or 5 hereof, money damages alone would not be a sufficient remedy. Therefore, the parties agree that, in addition to money damages and any other relief available, Employer shall also be entitled to obtain an injunction or other equitable relief to enforce the provisions of Sections 4 and/or 5. The provisions of Sections 4, 5 and 6 shall survive the termination of this Agreement indefinitely.

EMPLOYEE HAS CAREFULLY READ AND CONSIDERED SECTIONS 4, 5 AND 6, ABOVE AND AGREES THAT THEY ARE FAIR, REASONABLE AND REASONABLY REQUIRED TO PROTECT EMPLOYER'S LEGITIMATE BUSINESS INTERESTS. EMPLOYEE HAS BEEN ADVISED TO CONSULT WITH AN ATTORNEY PRIOR TO EXECUTION OF THIS AGREEMENT.

7. Termination.

7.1 Employment Termination in General. Anything contained in this Agreement to the contrary notwithstanding, Employee's employment with Employer under this Agreement is "at will" and may be terminated by either party at any time upon 15 days advance written notice to the other party, but subject to the provisions of this Section 7.

7.2 Severance Benefits. The Employee is entitled to participate in the Employer's Executive Severance Plan as in effect from time to time as a "Tier 1" participant. Employee shall be entitled to any benefits payable under Employer's Executive Severance Plan, but only if and as provided for therein, subject to the following modifications (which apply to Employee only, and no other participant thereunder) and provided, further, that no modification, amendment or termination of the Executive Severance Plan shall be applicable to Employee during the term of his employment with Employer (or during the "Benefits Period" as defined in the Executive Severance Plan) without Employee's prior written consent:

- (a) a termination of Employee's employment for "gross misconduct" shall be limited only to circumstances where the CEO makes a good faith determination that one or more of the following acts or omissions by Employee has both occurred and resulted in (or is reasonably likely to result in) material harm or damage to Employer or Employer's reputation:
 - (i) a willful and repeated material failure to follow the reasonable and lawful instructions of the CEO or a material breach of duties specified in Section 1.2 of this Agreement;
 - (ii) a misappropriation of Employer's property or act of fraud or embezzlement which is willful and material;
 - (iii) a willful and material violation of Employer's written policies applicable to all executive officers of Employer that are provided to Employee, including, without limitation, its Code of Conduct;
 - (iv) conviction or a plea of "no contest" (or equivalent) to a crime involving breach of trust, a felony or state or federal securities laws; or
 - (v) willful action by, or directed by, Employee that results in a material violation by Employer of applicable securities laws and regulations, listing standards or other material compliance requirements imposed upon Employer;

The foregoing items (i) through (v) are an exclusive list of the acts or omissions that shall be considered "gross misconduct." For the avoidance of doubt, failure to achieve Employee's performance objectives will not be considered "gross misconduct." No act, or failure to act, by Employee shall be considered "willful" unless committed without a reasonable belief that the act or omission was lawful and in the Employer's best interest. The CEO shall provide Employee

with 15 days advance written notice specifically detailing the basis for a termination of employment for gross misconduct. During the 15 day period after Employee has received such notice, Employee shall have the opportunity to cure any of the above, that are reasonably subject to cure, and also to present his reasons to the CEO as to why the circumstances do not or should not give rise to “gross misconduct” hereunder (with the assistance of Employee's legal representative) before any termination for gross misconduct is finalized by the CEO. Employee shall continue to receive the compensation and benefits provided by this Agreement during the 15 day period after receiving the written notice of the Employer's intention to terminate Employee's employment for gross misconduct.

- (b) a termination by Employee of his employment will be deemed to be effected for "Good Reason" if any of the following occur without Employee's prior express written consent:
 - (i) there is no Bonus Plan available to Employee;
 - (ii) Employee ceases to report directly to the CEO;
 - (iii) Employee's principal place of employment with Employer is relocated to more than fifty (50) miles from the work location specified above in Section 1.2; and
 - (iv) Employer breaches any material provision of this Agreement or any of its other agreements with Employee (including without limitation Employer's failure to timely provide Employee the cash compensation, equity compensation and/or employee benefits owed to Employee under this Agreement).

The foregoing items (i) through (iv) are an exclusive list of the acts or omissions that shall be considered “Good Reason.” In order to provide Employer a reasonable opportunity to cure circumstances constituting “Good Reason,” the Employee shall provide Employer with 30 days advance written notice of Employee’s intention to terminate employment for Good Reason, specifically detailing the basis for a termination of employment for Good Reason. During the 30-day period after Employer has received such notice, Employer shall have the opportunity to cure any of the above that are reasonably subject to cure. In the event the Employer fails to cure, Employee shall be entitled to terminate employment for Good Reason. If Employer cures, then Employee shall be deemed to have withdrawn his intention to terminate and Employee’s employment shall continue.

- (c) Employee shall be entitled to severance payments and benefits under the Executive Severance Plan if (i) Employee terminates his employment for Good Reason, (ii) the Employer terminates Employee's employment for any reason other than gross misconduct (each of (i) and (ii), a "Qualifying Termination"). In the event of a Qualifying Termination, Employee shall also be entitled to receive payments and benefits payable with respect to such termination of employment under the terms of the plans and the payments and benefits as described in

Sections 7.2(d) and (e) of this Agreement. Section IV.5. of the Executive Severance Plan shall be modified such that severance payments will be made to Employee's estate or heirs in the event of Employee's death during the Benefits Period.

- (d) For purposes of determining the "Benefits Period" under Section IV.1.(b) of the Executive Severance Plan, such period shall be deemed to be twenty-four (24) months for payments of Base Salary; and a pro rata portion of the Target Bonus for the Fiscal Year of termination shall be paid to Employee in accordance with Article IV.2 of the Executive Severance Plan (but in no event later than 75 days after the end of the Fiscal Year of Employee's termination).
- (e) Any unvested Buy-Out RSUs shall become fully vested and payable no later than 30 days after a termination.

8. Arbitration. The parties hereto agree that, except as provided in Section 6 above relating to enforcement of the covenants set forth in Sections 4 and 5 of this Agreement, any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its National Rules for the Resolution of Employment Disputes subject to the following: (a) such arbitration shall take place in Clearwater, Florida; and (b) discovery in such arbitration shall be governed by the Federal Rules of Civil Procedure. Arbitration-specific costs and fees (such as the cost of the arbitrator(s)) will be fully paid by the Employer.

9. Withholding Of Taxes. Employer shall withhold from any compensation and benefits payable under this Agreement all applicable federal, state, local, or other taxes.

10. Clawback. Notwithstanding anything in this Agreement to the contrary, Employee acknowledges that Employer may be entitled or required by law, Employer's policy (the "Clawback Policy") or the requirements of an exchange on which the Employer's shares are listed for trading, to recoup compensation paid to the Employee pursuant to this Agreement or otherwise, and Employee agrees to comply with any Employer request or demand for recoupment. Employee acknowledges that the Clawback Policy may be modified from time to time in the sole discretion of Employer and without the consent of the Employee, and that such modification will be deemed to amend this Agreement. Employee further acknowledges and agrees that the Clawback Policy as in effect from time to time shall apply to any and all payments of compensation and benefits (other than Employee's base salary and benefits under any tax-qualified retirement plan or health and welfare plan) as specified in the Clawback Policy.

11. Miscellaneous.

11.1 Severability. Every provision of this Agreement is intended to be severable. If any term or provision hereof is declared invalid by a court of competent jurisdiction for any reason whatsoever and cannot be modified to be enforceable, its invalidity will not affect the validity of the remainder of the Agreement, which shall remain in full force and effect.

11.2 Construction. The section headings or subsection headings have been included for convenience only, are not part of this Agreement, and are not to be taken as an interpretation of any provision hereof. References to gender shall include each other gender, as appropriate. This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute but a single instrument.

11.3 Entire Agreement; Amendments; Waiver. This Agreement contains the entire agreement between the parties regarding the subject matter hereof and completely and fully supersedes all other prior agreements, both written and oral, between the parties relating to the subject matter hereof. Except as provided in Section 10, this Agreement may be amended, waived, changed, modified or discharged only by an agreement in writing signed by the parties. No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

11.4 Attorneys' Fees. Each party shall bear the cost of any attorneys' fees and expenses incurred in connection with enforcement of its respective rights under this Agreement, provided that the arbitrator may award reasonable attorneys' fees and/or costs to the prevailing party in any arbitration concerning the matters addressed in this Agreement

11.5 Indemnification. Employee shall be entitled to indemnification and advancement of expenses to the fullest extent provided by Article VI of the Employer's by-laws as in effect on the Effective Date or as may be amended from time to time. No amendment to Article VI which would reduce Executive's rights to indemnification and advancement of expenses with respect to actions or omissions which occurred prior to the date of such amendment shall apply to Employee unless he has consented thereto in writing.

11.6 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties, their successors, heirs and personal representatives and other legal representatives. Except as provided below in this Section 11.6, this Agreement shall not be assignable by either party. Employee acknowledges that the services to be rendered by Employee are unique and personal. Accordingly, Employee may not assign any of Employee's rights or delegate any of Employee's duties or obligations under this Agreement. In the event that all or substantially all of the business, assets and/or stock of the Employer is sold or transferred, then this Agreement shall be binding on the transferee of the business, assets and/or stock who Employer shall cause to expressly assume in writing the Employer's obligations hereunder.

11.7 Mitigation. Employee shall be under no obligation to seek other employment or to otherwise seek mitigation for any payments owed to Employee under this Agreement and there shall be no offset against any amounts due Employee under this Agreement.

11.8 Code Section 409A Matters. It is the parties intent that any amounts payable under this Agreement and the Employer's and Employee's exercise of authority or discretion hereunder shall be exempt from or comply with Section 409A of the Code (including the Treasury regulations and other published guidance relating thereto) so as not to subject Employee to the payment of any interest or additional tax imposed under Section 409A of the Code. In

furtherance of this intent, (a) if the date of payment or the commencement of any installment payments must be delayed for six months in order to meet the requirements of Section 409A(a)(2)(B) of the Code applicable to “specified employees,” then such payment or payments shall be so delayed and paid upon the expiration of such six month period and (b) each payment which is conditioned upon the Employee’s execution of a release and which is to be paid during a designated period that begins in a first taxable year and ends in a second taxable year shall be paid in the second taxable year. With regard to any provision herein that provides for reimbursement of expenses, or in-kind benefits, such reimbursements or in-kind benefits shall be paid in a manner consistent with Treas. Reg. Section 1.409A-3(i)(1)(iv). If any Treasury regulations, guidance or changes to Section 409A would result in the Employee becoming subject to interest and additional tax under Section 409A of the Code, the Employer and Employee agree to amend this Agreement to bring this Agreement into compliance with Code Section 409A.

11.9 Notice. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by overnight courier, U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of Employee, mailed notices shall be addressed to Employee at the home address that Employee most recently communicated to the Employer in writing. In the case of the Employer, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

11.10 Authority. The parties hereto hereby represent that they each have the authority to enter into this Agreement, and the Employee hereby represents to the Employer that the execution of, and performance of duties under, this Agreement shall not constitute a breach of or otherwise violate any other agreement to which the Employee is a party. The Employee hereby further represents to the Employer that he will not utilize or disclose any confidential information obtained by the Employee in connection with any former employment with respect to his duties and responsibilities hereunder.

11.11 Governing Law. This Agreement shall be subject to, and construed in accordance with, the laws of the State of Florida, without reference to its conflict of laws rules.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above.

By: /s/ Richard Hume By: /s/ Robert M. Dutkowsky
Richard Hume Robert M. Dutkowsky

Chief Executive Officer
On behalf of Tech Data Corporation

Tech Data Corporation
Change in Control Severance Policy

Article 1. Establishment and Purpose

1.1 Establishment of the Policy . Tech Data Corporation, a Florida corporation, hereby establishes this change in control severance policy to be known as the “ **Tech Data Corporation Change in Control Severance Policy** ” (the “ **Policy** ”).

1.2 Purpose of the Policy . The Board of Directors of Tech Data Corporation has determined that it is in the best interests of the Company and its stockholders to secure the continued services, dedication and objectivity of certain key employees of the Company in the event of any threat or occurrence of a Change in Control of the Company, without concern as to whether such employees might be hindered or distracted by personal uncertainties and risks created by any such actual or threatened Change in Control.

Article 2. Definitions

Whenever used in the Policy, the following terms shall have the meanings set forth below:

- (a) “**AAA**” means the American Arbitration Association.
- (b) “**Arbitration Rules**” means the National Rules for the Resolution of Employment Disputes of the AAA; provided that discovery shall be governed by the Federal Rules of Civil Procedure.
- (c) “**Accounting Firm**” has the meaning assigned in Article 7.1(a).
- (d) “**Accrued Obligations**” has the meaning assigned in Article 6.1(a).
- (e) “**Base Salary**” means a Covered Person’s annual rate of salary or wages, including any amounts of salary or wages deferred at the election of the Covered Person, as in effect immediately prior to the Change in Control or, if higher, during the Protected Period.
- (f) “**Beneficiary**” means the persons or entities entitled to benefits hereunder upon a Covered Person’s death, to the extent provided in Article 15.2(b), as determined in accordance with the procedures in 15.2(a).
- (g) “**Board**” means the Board of Directors of the Company or its successor.
- (h) “**Cause**”, when used with reference to a termination of a Covered Person’s employment by the Company under the Policy, means the occurrence of any of the following events, provided, however, that a Covered Person’s employment may not be terminated for Cause unless (1) the Company provides the Covered Person with written notice in accordance with Article 15.8 which shall (A) state in detail the particular act(s) or failure(s) to act that constitute the grounds on which the proposed termination for Cause is based and (B) be given within fifteen (15) days of a member of the Committee’s learning of such act(s) or failure(s) to act; and (2) the Covered Person is given a reasonable opportunity to be heard by the Committee and to cure, to the extent capable of cure, the grounds stated in such notice; but the Company may suspend the Covered Person during the proceedings; provided, that if, following any such hearing or waiver of such hearing by the Covered Person, the Covered Person is furnished with a subsequent written notice by the Committee confirming that, in its judgment, grounds for termination for Cause on the basis of the original notice exist (the “ **Final Cause Notice** ”), the Covered Person shall thereupon be terminated for Cause, subject to de novo review, at the Covered Person’s election, through arbitration in accordance with Article 12 hereof:
 - (i) the willful and continued failure of the Covered Person to substantially fulfill his or her obligations with respect to his or her employment or service (other than any such failure resulting from incapacity due to physical or mental illness);
 - (ii) the Covered Person’s conviction of or entering into a plea of guilty or *nolo contendere* to, a felony, or conduct by the Covered Person that constitutes gross negligence or gross misconduct in carrying out his or her duties with respect to his or her employment or service; or
 - (iii) the Covered Person’s material violation of any material, written agreement with the Company or Company policy applicable to the Covered Person, which violation adversely affects the business of the Company.
- (i) a “**Change in Control**” shall have the meaning set forth in the 2009 Equity Incentive Plan of Tech Data Corporation, or any successor plan thereto as determined by the Committee from time to time; provided, that a Change in Control will not be deemed to occur for any purpose under this Policy unless such event or events also constitute a change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company, within the meaning of Section 409A of the Code.
- (j) “**Code**” means the Internal Revenue Code of 1986, as amended from time to time, including rules thereunder and successor provisions and rules thereto.
- (k) “**Committee**” means the Compensation Committee of the Board.

(l) **“Company”** means Tech Data Corporation, and all of its consolidated subsidiaries as determined in accordance with U.S. Generally Accepted Accounting Principles, and any successor or successors thereto.

(m) **“Confidential Information”** means any and all information, including, but not limited to, information or ideas conceived or developed by a Covered Person, applicable to or in any way related to (i) the present or future business of the Company or its affiliates, (ii) research and development related to the Company’s or its affiliates’ business, (iii) the business of any customer or vendor of the Company or any of its affiliates, (iv) trade secrets, (v) processes, formulas, data, program documentation, algorithms, source codes, object codes, know-how, improvements, inventions, and techniques, (vi) all plans or strategies for marketing, development and pricing, and (vii) all information concerning existing or potential customers or vendors, and all similar information disclosed to the Company or its affiliates by other persons and any information in documents or computers that the Company designates as confidential by notation therein or thereon.

(n) **“Covered Person”** means an employee of the Company who fulfills the eligibility and participation requirements as provided in Article 4 hereof.

(o) **“Disability”** means (1) a physical or mental condition entitling the Company to terminate the Covered Person’s employment pursuant to an employment agreement between the Covered Person and the Company or (2) in the absence of such a provision for disability termination or in the absence of an employment agreement, the Covered Person’s inability to substantially perform his or her duties or responsibilities as a result of a physical or mental condition for 180 or more business days in any 365 day period.

(p) **“Effective Date”** means the date the Policy is adopted by the Company.

(q) **“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended from time to time, including rules thereunder and successor provisions and rules thereto.

(r) **“Exchange Act”** means the Securities Exchange Act of 1934, as amended from time to time, including rules thereunder and successor provisions and rules thereto.

(s) **“Excise Tax”** has the meaning assigned in Article 7.1(a).

(t) **“Final Cause Notice”** has the meaning assigned in Article 2(h).

(u) **“Good Reason”**, when used with reference to a termination of a Covered Person’s employment with the Company, means, without a Covered Person’s express written consent, the occurrence of any of the following events during the Protected Period, provided, however, that none of the following shall constitute Good Reason unless (1) the Covered Person provides written notice in accordance with Article 15.8 to the Company which shall (A) state in detail the particular act(s) or failure(s) to act that constitute the grounds on which the proposed termination for Good Reason is based and (B) be given within ninety (90) days of the Covered Person’s learning of such act(s) or failure(s) to act; (2) the Company fails to cure the grounds stated in such notice within fifteen (15) days of its receipt of such notice; and (3) the Termination Date occurs no later than the earlier of sixty (60) days following the Company’s failure to cure pursuant to the immediately preceding clause, and two (2) years following the initial existence of one or more of the following events arising without the Covered Person’s express written consent:

(i) a material adverse change in the nature, scope or status of the Covered Person’s position, duties, responsibilities or authorities effectuated after the Change in Control from those held, exercised and/or assigned to Covered Person immediately prior to such diminution, including, without limitation, if the Covered Person was an officer of a public company immediately prior to the Change in Control, the Covered Person ceasing to be an officer of a public company; provided, that a change in a Covered Person’s reporting relationship that is approved by the Company prior to a Change in Control and is not made at the request of a third party incident to the Change in Control shall not constitute Good Reason hereunder;

(ii) a reduction in the Covered Person’s annual base salary (or a material change in the frequency of payment) or annual incentive opportunity in effect immediately prior to the Change in Control or, if higher, as in effect at any time during the Protected Period;

(iii) the failure by the Company to award the Covered Person equity-based incentive compensation (such as stock options, shares of restricted stock, restricted stock units or other equity-based compensation) on a periodic basis consistent with the Company’s practices with respect to timing, value and terms as in effect prior to the Change in Control or, if higher, as in effect at any time during the Protected Period;

(iv) the failure by the Company to continue to provide the Covered Person with welfare benefits, fringe benefits and perquisites that are substantially similar in the aggregate to those made available or provided to the Covered Person immediately prior to the Change in Control, including but not limited to any pension, life insurance, medical, health and accident, disability and vacation benefits;

(v) any requirement that the Covered Person’s services be rendered primarily at a location that is: (1) more than 35 miles from the Covered Person’s base office immediately prior to the Change in Control and (2) farther from the Covered Person’s principal residence immediately prior to the Change in Control than was the Covered Person’s base office immediately prior to the Change in

Control;

(vi) a material breach by the Company of (1) any effective written employment agreement with the Covered Person, or (2) this Policy, including, without limitation, the failure to obtain express written consent to assumption of the Policy from a successor as required by Article 10 hereof; and

(vii) any other event which is included in any Covered Person's Participation Schedule.

Notwithstanding the foregoing, for purposes of clarification, the Company's suspension of the Covered Person's provision of services during the period in which the Company initiates proceedings to determine whether or not the employment of the Covered Person should be terminated for Cause pursuant to this Policy shall not constitute Good Reason.

(v) "**Initial Covered Persons**" means those Covered Persons listed on Annex 1 maintained by the Company.

(w) "**Legal Fees**" has the meaning assigned in Article 13.

(x) "**Non-Qualifying Termination**" means a termination of a Covered Person's employment (1) by the Company for Cause, (2) by the Covered Person for any reason other than Good Reason, or (3) as a result of the Covered Person's death or Disability.

(y) "**Participation Schedule**" means a schedule evidencing the Covered Person's participation in and coverage by this Policy, which may be in the form attached as Exhibit B to this Policy or may be provided in such other form as the Committee determines from time to time.

(z) "**Payment**" has the meaning assigned in Article 7.1(a).

(aa) "**Protected Period**" means the period beginning on the first date, following the Effective Date, on which a Change in Control occurs, and ending twenty four (24) months after such Change in Control.

(bb) "**Qualifying Termination**" means a termination of a Covered Person's employment during the Protected Period (1) by the Company Without Cause or (2) by the Covered Person for Good Reason, in each case in accordance with the procedures set forth in Article 5.

(cc) "**Restrictive Covenants**" means the covenants set forth in Article 11.

(dd) "**Severance Factor**" means the factor used to determine the Severance Payment payable to a Covered Person pursuant to Article 6.1(a)(v) hereof, which factor shall be: (1) 2.5 for the Chief Executive Officer of the Company, (2) 2 for each Initial Covered Person other than the Chief Executive Officer and the Senior Vice President, Chief Financial Officer, Europe of the Company, and (3) for all Covered Persons not described in (1) or (2) and the Senior Vice President, Chief Financial Officer, Europe, the number determined by the Company and set forth in such Covered Person's Participation Schedule.

(ee) "**Severance Payment**" has the meaning assigned in Article 6.1(a)(v).

(ff) "**Target Annual Bonus**" means the Covered Person's target annual bonus for the last full fiscal year ending immediately prior to the Change in Control or, if higher, the Covered Person's highest target annual bonus in effect for any fiscal year during the Protected Period; provided that if no target annual bonus is set for such Covered Person, the Target Annual Bonus will be determined by reference to the target annual bonuses set for an employee or employees in comparable positions or performing similar functions and duties during the three fiscal years that were completed prior to the Termination Date.

(gg) "**Term**" means the period commencing on the Effective Date and continuing until the Committee shall terminate the Policy in accordance with Article 15.5.

(hh) "**Termination Date**" means the effective date of a Covered Person's termination of employment with the Company as provided in Article 5.1.

(ii) "**Without Cause**", when used in reference to a termination of a Covered Person's employment with the Company, means any termination of the Covered Person's employment by the Company which is not a termination of employment for Cause, Disability or death.

Article 3. Administration

The Policy shall be administered by the Committee. The Committee shall have full authority, consistent with the Policy, to administer the Policy, including, without limitation, authority to interpret and construe any and all provisions of the Policy.

Article 4. Coverage

The Board or the Committee shall designate those key employees of the Company entitled to be covered by the Policy from time to time. Each key employee designated to be covered by the Policy as a Covered Person shall be required to execute a Participation Schedule, or other written agreement that may be specified by the Committee, to evidence such employee's agreement to be bound by the terms and conditions of this Policy, including the provisions of Article 11 hereof, as a Covered Person.

The Board or the Committee may amend, modify or terminate the Policy at any time and from time to time, subject to the limitations and restrictions set forth in Section 15.5; provided that with respect to each Initial Covered Person, the Committee may not amend, modify or terminate the Policy in a manner that would adversely affect such Initial Covered Person prior to the second anniversary of the Effective Date without the express written consent of such Initial Covered Person. In addition, any amendments, modifications or terminations of the Policy that impact a Covered Person will be subject to any additional, express restrictions or limitations as may be set forth in such Covered Person's Participation Schedule from time to time.

Article 5. Termination of Employment

5.1 Termination of Employment of a Covered Person during the Protected Period .

(a) During the Protected Period, the employment of a Covered Person may be terminated by the Company due to the Covered Person's Disability, on account of the Covered Person's death, by the Company Without Cause or for Cause, or by the Covered Person with or without Good Reason. The termination of the Covered Person's employment will become effective as of the date hereinafter specified.

(b) Termination of a Covered Person's employment for Disability shall become effective thirty (30) days after a notice of intent to terminate the Covered Person's employment, specifying Disability as the basis for such termination, is received by the Covered Person from the Committee. Termination of a Covered Person's employment on account of his or her death shall become effective automatically as of the date of his or her death.

(c) The Company shall have the absolute right to terminate a Covered Person's employment Without Cause at any time. Termination of a Covered Person's employment Without Cause shall become effective on the date specified by the Company.

(d) Termination of a Covered Person's employment for Cause shall become effective on the date the Company issues the Final Cause Notice to such Covered Person in accordance with the procedures set forth in Article 2(h).

(e) Termination of a Covered Person's employment for Good Reason shall become effective thirty (30) days after the Covered Person's notice of termination to the Company, provided that the Covered Person terminates his or her employment in accordance with the procedure specified in the definition of Good Reason. Termination of a Covered Person's employment without Good Reason shall become effective thirty (30) days after the Covered Person's notice of termination to the Company or such earlier date as the Company may determine upon receipt of notice by the Company of such termination.

5.2 Separation from Service . For purposes of any provision of the Policy providing for the payment of any amounts or benefits subject to 409A of the Code upon or following a termination of employment, references to a "termination," "termination of employment" or like terms shall mean "separation from service" within the meaning of Section 409A of the Code.

Article 6. Payments Upon Termination of Employment in Certain Circumstances

6.1 Qualifying Termination . If, during the Protected Period, the employment of a Covered Person shall terminate by reason of a Qualifying Termination, then:

(a) **Payment of Certain Amounts.** The Company shall pay to the Covered Person:

(i) a lump sum cash payment equal to the sum of the Covered Person's earned but unpaid Base Salary as in effect at the time of the Termination Date (without regard to any reduction constituting Good Reason and excluding any amounts the Covered Person elected to defer) and accrued vacation (the "**Accrued Obligations**"), within thirty (30) days following the Termination Date or sooner if required by applicable law;

(ii) any deferred compensation amounts (including, without limitation, any amounts of base salary earned but unpaid that the Covered Person elected to defer), at the times provided in the applicable plan, program, or agreement governing the deferral;

(iii) any annual bonus awards earned by the Covered Person but not yet paid as of the Termination Date, on the regularly scheduled payment date; provided that for purposes of this clause (iii), in order to have earned any such award the Covered Person must have remained employed through the last day of the applicable performance period for such award;

(iv) a pro-rata annual bonus for the fiscal year of the Company in which the Termination Date occurs, on the regularly scheduled payment date, determined based on actual performance of the Company (and in a manner consistent with how bonus determinations are made for continuing, active employees of the Company), prorated based on the number of days the Covered Person was employed in such fiscal year; and

(v) subject to the Covered Person's satisfaction of the conditions set forth in Article 15.10 hereof, on the sixtieth (60th) day following the Termination Date, a lump sum cash severance payment equal to the product of the Covered Person's Severance Factor times the sum of (1) the Covered Person's Base Salary and (2) Target Annual Bonus (the "**Severance Payment**").

(b) **Outstanding Equity Awards** . All equity and equity-based awards held by a Covered Person and outstanding as of his or her Termination Date shall be treated in accordance with the terms of the applicable plan and award agreement governing such awards, treating such Covered Person's Qualifying Termination hereunder as a termination of employment "without cause" or for "good reason" (or such other terms of similar import as may be used in the applicable plan or award agreement governing such awards) following a Change in Control.

(c) **Benefit Continuation** . Subject to the Covered Person's satisfaction of the condition set forth in Article 15.10 hereof:

(i) the Company shall pay to the Covered Person a monthly cash payment equal to the Covered Person's monthly COBRA premiums to continue medical coverage under the Company's medical plans under which the Covered Person was covered immediately before the Termination Date for twelve months following the Termination Date; it being understood that the Covered Person shall not be required to use the monthly payments for such premiums. Any payment that otherwise would be made before the sixtieth (60th) day following the Termination Date shall be paid on the sixtieth (60th) day.

(ii) the Company shall reimburse the Covered Person for reasonable expenses incurred by the Covered Person for outplacement counseling services (i) which do not exceed \$20,000, and (ii) which are incurred by the Covered Person within twelve months following the Termination Date. The provision of outplacement services is intended to be exempt from Section 409 of the Code pursuant to the in-kind benefits exception as set forth in Section 1.409A-1(b)(9)(v)(c) of the regulations promulgated thereunder. Any reimbursement payment that otherwise would be made before the sixtieth (60th) day following the Termination Date shall be paid on the sixtieth (60th) day.

6.2 Non-Qualifying Termination . The employment of a Covered Person may terminate or be terminated by reason of a Non-Qualifying Termination during the Protected Period, in which case the Company shall pay the Covered Person the Accrued Obligations and any other payments or benefits to which the Covered Person is entitled under applicable law and any other benefit plan, program, agreement or arrangement covering the Covered Person.

6.3 Other Agreements. A Covered Person who receives a Severance Payment hereunder shall not be entitled to receive any other cash severance payment pursuant to any other severance plan, program, policy, agreement or arrangement maintained by the Company or any additional annual bonus payment other than as specified above; provided that in the event that applicable law mandates that the Company provide to the Covered Person benefits in the nature of severance, then the amounts of benefits provided hereunder shall be reduced, in a manner consistent with the requirements of Section 409A, to the extent applicable, by the amount of such legally mandated benefits. Except to the extent specifically provided in the Policy with respect to the Severance Payment, annual bonus payment, COBRA reimbursement payment and outplacement services, a Covered Person will be entitled to receive other accrued, vested or deferred compensation, rights or benefits upon termination of employment in accordance with the terms of the applicable benefit plans, programs, policies, agreements or arrangements in which such Covered Person participates, including but not limited to amounts or benefits payable under any stock purchase policy, disability policy or similar or successor policy.

Article 7. Code Section 280G

7.1 (A) In the event it shall be determined by the Company's independent auditors immediately prior to a Change in Control or, if such auditors are unable to perform the services, by an independent, nationally recognized accounting firm selected by the Company in its sole discretion immediately prior to a Change in Control (in either case, the "**Accounting Firm** ") that any payment or distribution by the Company to or for the benefit of the Covered Person, whether paid or payable or distributed or distributable pursuant to the terms of the Policy or otherwise (a "**Payment** "), would be subject to the excise tax imposed by Section 4999 of the Code, or any interest or penalties are incurred by the Covered Person with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "**Excise Tax** "), then the amount of Payments payable to such Covered Person shall be reduced if (1) the net amount of such Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Payments) is greater than (2) the net amount of such Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Payments and the amount of Excise Tax to which the Covered Person would be subject in respect of such unreduced Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Payments).

(a) The Accounting Firm shall make an initial determination as to whether a reduction in Payments is required under Article 7.1(a) above. If the Payments must be reduced as provided in the previous paragraph, the reduction shall occur in the following order: (1) reduction of cash payments for which the full amount is treated as a "parachute payment" (as defined under Code Section 280G and the regulations thereunder); (2) cancellation of accelerated vesting (or, if necessary, payment) of cash awards for which the full amount is not treated as a parachute payment; (3) reduction of any continued employee benefits and (4) cancellation of any accelerated vesting of equity awards. In selecting the equity awards (if any) for which vesting will be reduced under clause (4) of the preceding sentence, awards shall be selected in a manner that maximizes the after-tax aggregate amount of reduced Total Payments provided to the Covered Person, provided that if (and only if) necessary in order to avoid the imposition of an additional tax under Section 409A of the Code, awards instead shall be selected in the reverse order of the date of grant. For the avoidance of doubt, for purposes of measuring an equity compensation award's value to the Covered Person when performing the determinations under the preceding paragraph, such award's value shall equal the then aggregate fair market value of the vested shares underlying the award less any aggregate exercise price less applicable taxes. If two or more equity awards are granted on the same date, each award will be reduced on a pro-rata basis.

(b) All determinations required under this Article 7 shall be made in writing by the Accounting Firm. Any reasonable determination

of the Accounting Firm made in good faith shall be binding upon the Company and the applicable Covered Person. The Company and the Covered Person shall furnish to the Accounting Firm such information and documents as the Accounting Firm may reasonably request to make a determination under this Article. For purposes of making the calculations required by this Article 7, the Accounting Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable good faith interpretations concerning the application of Code Sections 280G and 4999. The Accounting Firm shall provide detail supporting its determinations both to the Company and the applicable Covered Person within fifteen (15) business days of the Termination Date or such earlier time as is requested by the Company. If the Accounting Firm determines that no Excise Tax is payable by the Covered Person, it shall, if requested by the Covered Person, furnish the Covered Person with an opinion that he/she has substantial authority not to report any Excise Tax on his/her federal, state, local income or other tax return. The fees and expenses of the Accounting Firm for its services in connection with the determinations contemplated by this Article 7 shall be borne by the Company.

(d) Each Covered Person shall be responsible for all taxes imposed on the Covered Person on account of payments and benefits under this Policy, including without limitation any excise taxes imposed under Section 4999 of the Code.

Article 8. Withholding Taxes

The Company may withhold from all payments due hereunder to a Covered Person (or his or her Beneficiary) all taxes which, by applicable federal, state, local or other law, the Company is required to withhold therefrom.

Article 9. the Company's Payment Obligation; No Mitigation

9.1 Payment Obligations are Absolute .

(a) The Company's obligation to a Covered Person to make the payments and the arrangements provided for herein shall be absolute and unconditional, and shall not be affected by any circumstances, including, without limitation, any offset, counterclaim, recoupment, defense, or other right which the Company may have against the Covered Person or anyone else, except to the extent so provided in Articles 7 and 15.12, if applicable, or mandated by applicable law. All amounts payable by the Company hereunder shall be paid without notice or demand. Each and every payment made hereunder by the Company shall be final, and the Company shall not seek to recover all or any part of such payment from Covered Persons or from whomsoever may be entitled thereto, except to the extent mandated by applicable law.

(b) Covered Persons shall not be obligated to seek other employment or take other action by way of mitigation of the amounts payable or arrangements made under any provision of the Policy, and the obtaining of any such other employment shall in no event effect any reduction of the Company's obligations to make the payments and arrangements required to be made under the Policy.

9.2 Contractual Rights to Benefits . Subject to the provisions of Article 15.5 hereof, the Policy, together with the applicable Covered Person's Participation Schedule, establishes and vests in each Covered Person a contractual right to the benefits to which he is entitled hereunder.

Article 10. Successors.

The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) of all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform the Company's obligations under the Policy. Failure of the Company to obtain such an assumption agreement prior to the effective date of any such succession shall be a material breach of the Policy.

Article 11. Restrictive Covenants

(a) As a condition to participation in the Policy, a Covered Person shall agree to be bound by the following Restrictive Covenants:

(i) the Covered Person acknowledges that the Company's Confidential Information is the exclusive property of the Company, is material and confidential, and greatly affects the effective and successful conduct of the business of the Company. The Covered Person agrees to use the Company's Confidential Information only for the benefit of the Company and shall not at any time, directly or indirectly, either during employment with the Company or afterward, divulge, reveal or communicate the Company's Confidential Information to any person, firm, corporation or entity whatsoever, or use the Company's Confidential Information for such Covered Person's own benefit or for the benefit of others;

(ii) the Covered Person shall not, at any time, denigrate or disparage the Company or any of its Board of Directors or officers;

(iii) the Covered Person agrees to make a prompt and complete disclosure to the Company of any Confidential Information in his or her possession, upon such a request by the Company. Upon termination of employment and at any other time upon request, the Covered Person further agrees to surrender to the Company all documents, writings and other such materials produced by the Covered Person or coming into the Covered Person's possession by or through employment with the Company during the term of such employment, and agrees that all such materials are at all times the Company's property;

(iv) the Covered Person agrees to fully cooperate, in all reasonable respects, with the Company in regard to any internal or

external investigations of the Company, its business, its business practices or the like relating to the period in which the Covered Person is or was employed by the Company. If the Covered Person is requested to provide assistance after termination of his employment, then he will be reimbursed for any reasonable expenses within 30 days of submission of applicable receipts or invoices.

(v) for a period of one (1) year following the Termination Date, anywhere in the world (and each incorporated and unincorporated area thereof), the Covered Person will not own, manage, operate, control, be employed by, act as an agent for, participate in or be connected in any manner with the ownership, management, operation or control of any business which is engaged in wholesale distribution of computer hardware and/or software products or mobility products or IT services as its primary line of business, including but not limited to Ingram-Micro or its affiliates, ALSO/Actebis, West Coast, Arrow Electronics, Inc., Avnet, Synnex, Brightstar, CDW, Amazon, D&H Distributing Co, Insight and Pivot; provided that nothing herein shall be interpreted to prohibit the Covered Person from owning stock in publicly traded corporations that may compete with the Company so long as such stock ownership does not represent a majority or controlling interest in such corporations;

(vi) for a period of one (1) year following the Termination Date, the Covered Person will not: (i) directly or indirectly, hire or participate in the hiring of any employee of the Company or any of its affiliates, provided, however that this restriction shall not apply either to former employees of the Company or to employees who respond to a general advertisement; (ii) solicit or induce, or attempt to solicit or induce, any employee of the Company or its affiliates to leave the Company or such affiliates for any reason; and (iii) solicit or induce, or attempt to solicit or induce any customer of or vendor to the Company or its affiliates to stop doing business with or move some or all of such customer or vendor business to a person or entity other than the Company.

(b) The Restrictive Covenants are in addition to any rights the Company may have in law or at equity or under any other agreement.

(c) As a condition to participation in the Policy, a Covered Person shall further agree that it is impossible to measure in money the damages which will accrue to the Company in the event the Covered Person breaches the Restrictive Covenants. Therefore, if the Company shall institute any action or proceeding to enforce the provisions hereof, the Covered Person shall agree to waive the claim or defense that the Company has an adequate remedy at law and the Covered Person shall agree not to assert in any such action or proceeding the claim or defense that the Company has an adequate remedy at law. The foregoing shall not prejudice the Company's right to require the Covered Person to account for and pay over to the Company any profit obtained by the Covered Person as a result of any transaction constituting a breach of the Restrictive Covenants.

(d) The validity or unenforceability of any provision of this Section 11 shall not affect the validity or enforceability of any other provision of this Policy. The Covered Person and the Company have specifically agreed and acknowledged that the provisions in Section 11 are fair, reasonable and material. If the scope of any restriction or covenant contained herein should be or become too broad or extensive to permit enforcement to its fullest extent, then such restriction or covenant shall be enforced to the maximum extent permitted by law, and the Covered Person hereby consents and agrees that (a) it is the parties intention and agreement that this Section 11 be enforced as written, and (b) in the event a court of competent jurisdiction should determine that any restriction or covenant is too broad or extensive to permit enforcement to its fullest extent, the scope of any such restriction or covenant may be modified but only as necessary as the court, in its judgment, deems warranted in order to have the fullest enforcement possible consistent with governing law.

(e) The Covered Person's agreement to be bound by the provisions of this Article 11 shall be effected by the Covered Person's execution of his or her Participation Schedule in such form as the Committee may determine from time to time.

(f) Notwithstanding the foregoing, if a Covered Person is otherwise party to an agreement with the Company or its affiliates pursuant to which the Covered Person is subject to noncompetition obligations for a period of at least one year following a termination of employment, then the restrictions set forth in this Section 11 shall not apply to the Covered Person, and the noncompetition provisions of such other agreement shall instead remain in effect and apply to such Covered Person if and to the extent provided in such Covered Person's other agreement.

(g) Notwithstanding anything to the contrary set forth herein, no confidentiality, non-disparagement or other obligation owed by the Covered Person to the Company or its affiliates shall prohibit the Covered Person from reporting, whether anonymously or on a disclosure basis, possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or shall require the Covered Person to notify the Company or any of its affiliates of any such report, and none of the Company or any of its affiliates will retaliate against the Covered Person for any such report. In making any such report, however, the Covered Person is not authorized to disclose communications with counsel that were made for the purpose of receiving legal advice, that contain legal advice or that are protected by the attorney work product or similar privilege.

Article 12. Arbitration of Disputes

(a) Any disagreement, dispute, controversy or claim arising out of or relating to the Policy or the interpretation or validity hereof shall be settled exclusively and finally by binding arbitration to be conducted in Clearwater, Florida or, solely in respect of any Covered Person with a principal work location in the European Union, London, England, or such other location as may be specified in the Covered Person's Participation Schedule. It is specifically understood and agreed that any disagreement, dispute or controversy which cannot be resolved between the parties, including without limitation any matter relating to the interpretation of the Policy, shall be submitted to arbitration

irrespective of the magnitude thereof, the amount in controversy or whether such disagreement, dispute or controversy would otherwise be considered justifiable or ripe for resolution by a court or arbitral tribunal. Nothing in this Article 12(a) shall preclude the Company from seeking specific performance of the Restrictive Covenants set forth in Article 11 hereof in such jurisdiction as the Company may deem appropriate.

(b) The arbitration shall be conducted in accordance with the Arbitration Rules, except as otherwise provided below.

(c) The arbitral tribunal shall consist of one arbitrator. The parties to the arbitration jointly shall directly appoint such arbitrator within thirty (30) days of initiation of the arbitration. If the parties shall fail to appoint such arbitrator as provided above, such arbitrator shall be appointed in accordance with the Arbitration Rules and shall be a person who has had substantial experience in executive compensation issues in the context of mergers and acquisitions. The Company shall pay all of the fees, if any, and expenses of such arbitrator.

(d) At any oral hearing of evidence in connection with the arbitration, each party thereto or its legal counsel shall have the right to examine its witnesses and to cross-examine the witnesses of any opposing party. No evidence of any witness shall be presented unless the opposing party or parties shall have the opportunity to cross-examine such witness, except as the parties to the dispute otherwise agree in writing.

(e) Any decision or award of the arbitral tribunal shall be final and binding upon the parties to the arbitration proceeding. The parties hereto hereby waive to the extent permitted by law any rights to appeal or to seek review of such award by any court or tribunal. The parties hereto agree that the arbitral award may be enforced against the parties to the arbitration proceeding or their assets wherever they may be found and that a judgment upon the arbitral award may be entered in any court having jurisdiction.

(f) Nothing herein contained shall be deemed to give the arbitral tribunal any authority, power, or right to alter, change, amend, modify, add to, or subtract from any of the provisions of the Policy.

Article 13. Legal Fees.

If the Covered Person prevails on at least one material claim that forms part of a dispute with the Company regarding the validity or enforceability of, or liability under, any provision of the Policy (including as a result of any contest by the Covered Person about the amount of any payment pursuant to Article 6), the Company shall promptly reimburse the Covered Person for all reasonable attorneys' fees and related expenses ("Legal Fees") incurred by the Covered Person in connection with such dispute. In no event shall the payments by the Company under this Article 13 be made later than the end of the calendar year next following the calendar year in which such Legal Fees were incurred, provided that Covered Person shall have submitted an invoice for such Legal Fees at least 10 days before the end of the calendar year next following the calendar year in which such Legal Fees were incurred. The amount of such Legal Fees that the Company is obligated to pay in any given calendar year shall not affect the Legal Fees that the Company is obligated to pay in any other calendar year, and Covered Person's right to have the Company pay such Legal Fees may not be liquidated or exchanged for any other benefit.

Article 14. Trusts; Unfunded Status of Policy

14.1 Unfunded Status of Policy . The Policy is intended to constitute an "unfunded" Policy and Covered Persons shall have no claim against the Company or its assets other than as unsecured general creditors. Notwithstanding the foregoing, the Company may, in its sole discretion, establish a trust or purchase other property to assist it in meeting its obligations hereunder as set forth in Article 14.2 below; provided, however, that in no event shall any Covered Person have any interest in such trust or property other than as an unsecured general creditor.

14.2 Creation of Trusts . The Committee may, in its discretion, authorize the creation of one or more trusts (including sub-accounts under such trust(s)), and deposit therein amounts of cash, stock, or other property not exceeding the amount of the Company's obligations with respect to the Policy, or make other arrangements to meet the Company's obligations under the Policy, which trusts or other arrangements shall be consistent with the "unfunded" status of the Policy.

Article 15. Miscellaneous

15.1 Employment Status. Except as may be provided under any other agreement between a Covered Person and the Company, the employment of the Covered Person by the Company is "at will." The Policy does not constitute a contract of employment or impose on the Company any obligation to retain the Covered Person as an employee, to change the status of the Covered Person's employment, or to change the policies of the Company regarding termination of employment.

15.2 Beneficiaries .

(a) Except with regard to the equity awards referenced in Article 6.1(b), each Covered Person may designate one or more persons or entities as the primary and/or contingent Beneficiaries of any amounts owing to the Covered Person under the Policy. Covered Persons may make or change such designations at any time; provided, that such designation must be in the form of a signed writing acceptable to the Committee and filed with the Company prior to the Covered Person's death. If the Covered Person has not named a Beneficiary, then such amounts shall be paid to the Covered Person's estate.

(b) The Policy shall inure to the benefit of and be enforceable by the Covered Person or the Beneficiary or the Covered Person's estate. If a Covered Person dies while any amount would still be payable to the Covered Person hereunder had the Covered Person continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of the Policy to the Beneficiary or the Covered Person's estate or, with respect to any stock options, restricted shares, restricted stock units and other equity awards and payments, as provided in the applicable documents governing such arrangements.

15.3 Number . Except where otherwise indicated by the context, the plural shall include the singular, and the singular shall include the plural.

15.4 Severability . Every provision of this Policy is intended to be severable. If any term or provision hereof is declared invalid by a court of competent jurisdiction for any reason whatsoever and cannot be modified to be enforceable, its invalidity will not affect the validity of the remainder of the Policy, which shall remain in full force and effect.

15.5 Modification and Termination . The Policy may be amended in any manner and from time to time or terminated at any time, each at the discretion of the Committee; provided that, except with regard to an amendment pursuant to Article 15.11:

(a) with respect to any Initial Covered Person, the Committee may not amend, modify or terminate the Policy in a manner that adversely affects such Initial Covered Person prior to the second anniversary of the Effective Date without the express written consent of such Initial Covered Person;

(b) no termination or amendment that is adverse to a Covered Person shall be effective with respect to such Covered Person prior to the date that is six (6) months from the date written notice of such amendment or termination is given to such Covered Person; and

(c) no termination or amendment that is adverse to a Covered Person and that would otherwise be effective within six (6) months before or twenty four (24) months after a Change in Control shall apply to any termination of employment of a Covered Person during such Covered Person's Protected Period, as defined herein prior to giving effect to any such termination or amendment(s) of the Policy.

15.6 Applicable Law . This Policy shall be subject to, and construed in accordance with, the laws of the State of Florida, without reference to its conflict of laws rules.

15.7 Headings . The section headings or subsection headings have been included for convenience only, are not part of this Policy, and are not to be taken as an interpretation of any provision hereof. References to gender shall include each other gender, as appropriate.

15.8 Notice . Notices and all other communications contemplated by this Policy shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by overnight courier, U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of a Covered Person, mailed notices shall be addressed to such Covered Person at the home address that Covered Person most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

15.9 Joint and Several Obligations . If the Covered Person is employed during the Protected Period by one or more entities that form part of the Company, whether or not such Covered Person is also employed by the Company during the Protected Period, each such entity shall be jointly and severally liable together with the Company for the obligations of the Company to the Covered Person hereunder.

15.10 Release . Payments to be provided to the Covered Person by the Company under Article 6.1(a)(v) hereof shall be paid to the Covered Person on the date specified in the respective Article, subject to the condition that the Covered Person has executed and delivered to the Company a release substantially in the form of Exhibit A hereto and that such release has become effective, enforceable and irrevocable in accordance with its terms.

15.11 Section 409A of the Code . It is intended that any amounts payable under this Policy and any exercise of authority or discretion hereunder shall be exempt from or comply with Section 409A of the Code (including the Treasury regulations and other published guidance relating thereto) so as not to subject a Covered Person to the payment of any interest or additional tax imposed under Section 409A of the Code; provided that the Company makes no representations regarding the tax implications of any compensation or benefits to be paid or provided hereunder under Section 409A of the Code. In furtherance of this intent, if the date of payment or the commencement of any installment payments must be delayed for six months in order to meet the requirements of Section 409A(a)(2)(B) of the Code applicable to "specified employees," then such payment or payments shall be so delayed and paid upon the expiration of such six month period. With regard to any provision herein that provides for reimbursement of expenses, or in-kind benefits, such reimbursements or in-kind benefits shall be paid in a manner consistent with Treas. Reg. Section 1.409A-3(i)(1)(iv).

15.12 Clawback . Notwithstanding anything in this Policy to the contrary, the Company may be entitled or required by law, any applicable Company policy (any such policy, a "**Clawback Policy** ") or the requirements of an exchange on which the Company's shares are listed for trading, to recoup compensation paid to a Covered Person pursuant to this Policy or otherwise, and each Covered Person selected to be covered by the Policy shall be deemed to have agreed to comply with any such Company request or demand for recoupment. Each Covered Person shall also be deemed to have acknowledged and agreed that the Clawback Policy may be modified from time to time in the sole discretion of the Company and without the consent of the Covered Person, and that such modification will be deemed to amend this Policy;

provided, that, except as otherwise required by applicable law (including the terms of any exchange on which the Company's shares are then listed for trading), the effect of any such amendment or modification on amounts payable or benefits to be provided hereunder shall be subject to the limitations set forth in Section 15.5. Each Covered Person shall also be deemed to have acknowledged and agreed that, subject to the limitations set forth in the foregoing sentence, the Clawback Policy as in effect from time to time shall apply to any and all payments of compensation and benefits (other than such Covered Person's base salary and benefits under any tax-qualified retirement plan or health and welfare plan) as specified in the Clawback Policy.

Exhibit A

GENERAL RELEASE

Exhibit B

PARTICIPATION SCHEDULE

[Date]

[Name and
Address of Executive]

We are offering you the opportunity to become a Covered Person in the Tech Data Corporation Change in Control Severance Policy. All defined terms used herein shall have the meaning ascribed to them in the Policy.

As a condition to your coverage under the Policy, you must execute this Participation Schedule evidencing your agreement to be bound by all the terms of the Policy, including, without limitation, the provisions of Article 11.

Except as may be provided under any other agreement between you and the Company, your employment by the Company is "at will." The Policy does not constitute a contract of employment or impose on the Company any obligation to retain you as an employee, to change the status of your employment, or to change the policies of the Company regarding termination of employment.

For purposes of the Policy, your participation shall be determined based upon the following:

(a) You have been designated by the Company as an Initial Covered Person and will have a Severance Factor of [] under the Policy

Executed as of this ___ day of _____, 20__.

Accepted and Agreed

TECH DATA CORPORATION

By: _____ By: _____

Robert M. Dutkowsky
Chief Executive Officer

Annex 1

Initial Covered Persons

TECH DATA CORPORATION AND SUBSIDIARIES

Name of Subsidiary	Designation	Incorporation
Azlan European Finance Limited	F	United Kingdom
Azlan GmbH	F	Germany
Azlan Group Limited	F	United Kingdom
Azlan Limited	F	United Kingdom
Azlan Logistics Limited	F	United Kingdom
Azlan Scandinavia AB	F	Sweden
Horizon Technical Services (UK) Limited	F	United Kingdom
Horizon Technical Services AB	F	Sweden
ISI Distribution Limited	F	United Kingdom
Managed Training Services Limited	F	United Kingdom
Maneboard Limited	F	United Kingdom
Specialist Distribution Group (SDG) Limited	F	United Kingdom
Tech Data Brasil Ltda	F	Brazil
TD Facilities, Ltd.	D	Texas
TD Fulfillment Services, LLC	D	Florida
TD Tech Data AB	F	Sweden
TD United Kingdom Acquisition Limited	F	United Kingdom
Tech Data (Netherlands) B.V.	F	Netherlands
Tech Data (Schweiz) GmbH	F	Switzerland
Tech Data bvba/sprl	F	Belgium
Tech Data Canada Corporation	F	Canada
Tech Data Corporation ("TDC")	D	Florida
Tech Data Delaware, Inc.	D	Delaware
Tech Data Denmark ApS	F	Denmark
Tech Data Deutschland GmbH	F	Germany
Tech Data Distribution Limited	F	Ireland
Tech Data Distribution s.r.o.	F	Czech Republic
Tech Data Education, Inc.	D	Florida
Tech Data Espana S.L.U.	F	Spain
Tech Data Europe GmbH	F	Germany
Tech Data Europe Services and Operations, S.L.	F	Spain
Tech Data European Management GmbH	F	Germany
Tech Data Finance Partner, Inc.	D	Florida
Tech Data Finance SPV, Inc.	D	Delaware
Tech Data Financing Corporation	F	Cayman Islands
Tech Data Finland Oy	F	Finland
Tech Data Florida Services, Inc.	D	Florida
Tech Data France Holding Sarl	F	France
Tech Data France SAS	F	France
Tech Data Global Finance LP	F	Cayman Islands
Tech Data GmbH & Co OHG	F	Germany
Tech Data Hungary kft.	F	Hungary

Tech Data Information Technology	F	Germany
Tech Data International Srl	F	Switzerland
Tech Data Italia Srl	F	Italy
Tech Data Latin America, Inc.	D	Florida
Tech Data Limited	F	United Kingdom
Tech Data Lux Finance S.r.l	F	Luxembourg
Tech Data Luxembourg S.r.l	F	Luxembourg
Tech Data Management GmbH	F	Austria
Tech Data Marne SNC	F	France
Tech Data Mexico S. de R. L. de C. V.	F	Mexico
Tech Data Midrange GmbH	F	Germany
Tech Data Mobile Acquisition Limited (formerly known as Brightstar Acquisition Limited)	F	United Kingdom
Tech Data Mobile Limited (formerly known as Brightstar Europe Limited)	F	United Kingdom
Tech Data Nederland BV	F	Netherlands
Tech Data Norge AS	F	Norway
Tech Data Operations Center, SA	F	Costa Rica
Tech Data sterreich GmbH	F	Austria
Tech Data Polska Sp.z.o.o.	F	Poland
Tech Data Portugal Lda	F	Portugal
Tech Data Product Management, Inc.	D	Florida
Tech Data Resources, LLC	D	Delaware
Tech Data Service GmbH	F	Austria
Tech Data Servicios, S. de R.L. de C.V.	F	Mexico
Tech Data Strategy GmbH	F	Germany
Tech Data Tennessee, Inc.	D	Florida
Tech Data Uruguay S.A.	F	Uruguay

*Domestic (D), Foreign (F)

Consent of Independent Registered Certified Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements of Tech Data Corporation:

- (1) Registration Statement (Form S-8 No. 333-161687) pertaining to the 2009 Equity Incentive Plan,
- (2) Registration Statement (Form S-8 No. 333-144298) pertaining to the Amended and Restated 2000 Equity Incentive Plan,
- (3) Registration Statement (Form S-8 No. 333-59198) pertaining to the 2000 Non-Qualified Stock Option Plan and the 2000 Equity Incentive Plan,
- (4) Registration Statement (Form S-8 No. 033-62181) pertaining to the 1995 Non-employee Directors Stock Option Plan, and
- (5) Registration Statement (Form S-8 No. 033-60479) pertaining to the 1995 Employee Stock Purchase Plan;

of our reports dated March 24, 2016, with respect to the consolidated financial statements and schedule of Tech Data Corporation and subsidiaries and the effectiveness of internal control over financial reporting of Tech Data Corporation and subsidiaries included in this Annual Report (Form 10-K) of Tech Data Corporation for the year ended January 31, 2016.

/s/ Ernst & Young LLP

Tampa, Florida
March 24, 2016

Certification of Chief Executive Officer
Pursuant to
Exchange Act Rules 13a-14(a) and 15d-14(a)
As Adopted Pursuant to
Section 302 of The Sarbanes-Oxley Act of 2002

I, Robert M. Dutkowsky, certify that:

1. I have reviewed this annual report on Form 10-K of Tech Data Corporation (the “registrant”);
2. Based on my knowledge, this 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 report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’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 registrant 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 registrant, 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 registrant’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 registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’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 registrant’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 registrant’s internal control over financial reporting.

Date: March 24, 2016

/s/ ROBERT M. DUTKOWSKY

Robert M. Dutkowsky
Chief Executive Officer

Certification of Chief Financial Officer
Pursuant to
Exchange Act Rules 13a-14(a) and 15d-14(a)
As Adopted Pursuant to
Section 302 of The Sarbanes-Oxley Act of 2002

I, Charles V. Dannewitz, certify that:

1. I have reviewed this annual report on Form 10-K of Tech Data Corporation (the “registrant”);
2. Based on my knowledge, this 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 report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’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 registrant 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 registrant, 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 registrant’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 registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’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 registrant’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 registrant’s internal control over financial reporting.

Date: March 24, 2016

/s/ C HARLES V. D ANNEWITZ

Charles V. Dannewitz
Executive Vice President and
Chief Financial Officer

Certification of Chief Executive Officer
Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of The Sarbanes-Oxley Act of 2002

I, Robert M. Dutkowsky, Chief Executive Officer of Tech Data Corporation (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

- (i) The Annual Report on Form 10-K of Tech Data Corporation for the annual period ended January 31, 2016 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, (15 U.S.C. 78m), and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 24, 2016

/s/ ROBERT M. DUTKOWSKY

Robert M. Dutkowsky
Chief Executive Officer

Certification of Chief Financial Officer
Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of The Sarbanes-Oxley Act of 2002

I, Charles V. Dannewitz, Executive Vice President and Chief Financial Officer of Tech Data Corporation (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

- (i) The Annual Report on Form 10-K of Tech Data Corporation for the annual period ended January 31, 2016 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, (15 U.S.C. 78m), and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 24, 2016

/s/ C HARLES V. D ANNEWITZ

Charles V. Dannewitz
Executive Vice President and
Chief Financial Officer