As filed with the Securities and Exchange Commission on November 22, 1996
Registration No. 333-_____

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-1 REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

INGRAM MICRO INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

Delaware	5045	62-1644402
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

1600 E. St. Andrew Place
Santa Ana, CA 92705
(714) 566-1000
(Address, Including Zip Code, and Telephone Number, Including Area Code, Of Registrant's Principal Executive Offices)

James E. Anderson, Jr., Esq.
Senior Vice President and General Counsel
Ingram Micro Inc.
1600 E. St. Andrew Place
Santa Ana, CA 92705
(714) 566-1000
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, Of Agent for Service)

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ]

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Number of Shares to be Registered	Proposed Maximum Offering Price Per Share(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Class A Common Stock, par value $0.01 per share.....	800,000	$24.375	$19,500,000	$5,909.09

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(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) based on a per share price of $24.375, the average of the high and low price of $25.125 and $23.675 of the Company's Class A Common Stock on November 19, 1996.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its Effective Date until the Registrant shall file a further Amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

PROSPECTUS
(Subject to Completion)

Issued November 22, 1996

INGRAM MICRO INC.

800,000 Shares

CLASS A COMMON STOCK

This prospectus relates to the offer and sale from time to time by the Ingram Thrift Plan, of a total of 800,000 shares of Class A Common Stock, $0.01 par value (the "Common Stock"), of Ingram Micro Inc. (the "Company"). The Ingram Thrift Plan, a defined contribution plan intended to qualify under section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"), currently owns an aggregate of 10,007,000 shares of Class B Common Stock (which are automatically convertible into shares of Common Stock upon sale) issued to the Ingram Thrift Plan in November 1996 pursuant to a reorganization of the Company that included the initial public offering of the Company's Common Stock, among other elements. The Company will not receive any of the proceeds from the sale of the shares offered hereby.

The Ingram Thrift Plan directly or through agents, brokers, dealers or underwriters designated from time to time, may sell shares of the Common Stock from time to time, on terms to be determined at the time of sale. To the extent required, the specific number of shares to be sold, the purchase price and public offering price, the names of any resale agent, dealer or underwriter, and the terms and amount of any applicable commission or discount with respect to a particular offer will be set forth in a Prospectus Supplement and/or post-effective amendment to the registration statement of which this Prospectus forms a part. See "Plan Of Distribution."

The Ingram Thrift Plan and any such agents, brokers, dealers or underwriters may be deemed to be "underwriters" within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), and any commissions received by them and any profit on the resale of the Common Stock purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act.

The Company has agreed to bear all expenses of registration of the Common Stock under federal and state securities laws and to indemnify the Ingram Thrift Plan and such agents, brokers, dealers, and underwriters against certain civil liabilities, including certain liabilities under the Securities Act.

The Common Stock is listed on the New York Stock Exchange under the symbol "IM." On November 21, 1996, the last reported sale price of the Common Stock on the New York Stock Exchange Composite Tape was $24.375 per share.

SEE "RISK FACTORS" BEGINNING ON PAGE 7 FOR A DISCUSSION OF CERTAIN RISKS ASSOCIATED WITH THIS OFFERING.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This Prospectus shall not constitute an offer to sell or the solicitation of an offer to buy no shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

November __, 1996

NO PERSON IS AUTHORIZED IN CONNECTION WITH ANY OFFERING MADE HEREBY TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THIS PROSPECTUS, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR THE INGRAM THRIFT PLAN. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFERING OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCE IMPLY THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE HEREOF.

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IN CONNECTION WITH THE COMPANY'S INITIAL PUBLIC OFFERING OF ITS CLASS A COMMON STOCK, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMMON STOCK OF THE COMPANY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NEW YORK STOCK EXCHANGE, IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Unless the context otherwise requires, the "Company" or "Ingram Micro" refers to Ingram Micro Inc., a Delaware corporation, and its consolidated subsidiaries. The fiscal year of the Company is a 52- or 53-week period ending on the Saturday nearest to December 31. Unless the context otherwise requires, references in this Prospectus to "1991," "1992," "1993," "1994," and "1995" represent the fiscal years ended December 28, 1991 (52 weeks), January 2, 1993 (53 weeks), January 1, 1994 (52 weeks), December 31, 1994 (52 weeks), and December 30, 1995 (52 weeks), respectively. The Company's next 53-week fiscal year will be fiscal year 1997.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information and consolidated financial statements and the notes thereto appearing elsewhere in this Prospectus.

THE COMPANY

Ingram Micro is the leading wholesale distributor of microcomputer products worldwide. The Company markets microcomputer hardware, networking equipment, and software products to more than 100,000 reseller customers in approximately 120 countries worldwide. Ingram Micro distributes microcomputer products through warehouses in eight strategic locations in the continental United States and 22 international warehouses located in Canada, Mexico, most countries of the European Union, Norway, Malaysia, and Singapore. The Company believes that it is the market share leader in the United States, Canada, and Mexico, and the second largest full-line distributor in Europe. In 1995, approximately 31% of the Company's net sales were derived from operations outside the United States. Ingram Micro offers one-stop shopping to its reseller customers by providing a comprehensive inventory of more than 36,000 products from over 1,100 suppliers, including most of the microcomputer industry's leading hardware manufacturers, networking equipment suppliers, and software publishers. The Company's suppliers include Apple Computer, Cisco Systems, Compaq Computer, Creative Labs, Hewlett-Packard, IBM, Intel, Microsoft, NEC, Novell, Quantum, Seagate, 3Com, Toshiba, and U.S. Robotics.

The Company conducts business with most of the leading resellers of microcomputer products around the world, including, in the United States, AmeriData, CDW Computer Centers, CompuCom, CompUSA, Computer City, Electronic Data Systems, En Pointe Technologies, Entex Information Services, Micro Warehouse, Sam's Club, Staples, and Vanstar. The Company's international reseller customers include Complet Data A/S, Consultores en Diagnostico Organizacional y de Sistemas, DSG Retail Ltd., 06 Software Centre Europe, B.V., GE Capital Technologies, Jump Ordenadores, Maxima S.A., Norsk Datasenter, Owell Svenska AB, SNI Siemens Nixdorf Infosys AG, and TC Sistema S.p.A.

The Company has grown rapidly over the past five years, with net sales and net income increasing to $8.6 billion and $84.3 million, respectively, in 1995 from $2.0 billion and $30.2 million, respectively, in 1991, representing compound annual growth rates of 43.8% and 29.3%, respectively. The Company's growth during this period reflects substantial expansion of its existing domestic and international operations, resulting from the addition of new customers, increased sales to the existing customer base, the addition of new product categories and suppliers, and the establishment of Ingram Alliance Reseller Company ("Ingram Alliance"), the Company's master reseller business launched in late 1994, as well as the successful integration of ten acquisitions worldwide. Because of intense price competition in the microcomputer products wholesale distribution industry, the Company's margins have historically been narrow and are expected in the future to continue to be narrow. In addition, the Company is highly leveraged and has relied heavily on debt financing for its increasing working capital needs in connection with the expansion of its business.

Prior to the Split-Off (as defined herein), the Company was a subsidiary of Ingram Industries Inc. ("Ingram Industries"). Immediately prior to the closing of the Company's initial public offering (the "IPO"), Ingram Industries consummated the Split-Off, and all information in this Prospectus assumes the occurrence of the Split-Off. See "The Company" and "The Split-Off

and the Reorganization."

THE OFFERING

Common Stock offered by the Ingram Thrift Plan(1)	800,000 Shares
Common Equity to be outstanding after this offering(2):	
Common Stock	24,000,000 Shares
Class B Common Stock(3)	109,013,762 Shares
Total	133,013,762 Shares
Voting rights:	
Common Stock	One vote per share
Class B Common Stock	Ten votes per share
NYSE Symbol	IM

SUMMARY CONSOLIDATED FINANCIAL DATA
(in millions, except per share data)

	Fiscal Year					Thirty-nine Weeks Ended	
	1991	1992	1993	1994	1995	September 30, 1995	September 28, 1996
INCOME STATEMENT DATA:							
Net sales	$2,016.6	$2,731.3	$4,044.2	$5,830.2	$8,616.9	$6,070.7	$8,474.7
Gross profit	185.4	227.6	329.6	439.0	605.7	422.5	574.5
Income from operations	67.6	68.9	103.0	140.3	186.9	123.9	175.9(4)
Net income(5)	30.2	31.0	50.4	63.3	84.3	56.3	77.6(4)
Earnings per share	0.25	0.26	0.41	0.52	0.69	0.46	0.64(4)
Weighted average common shares outstanding(6)	121.4	121.4	121.4	121.4	121.4	121.4	121.7

	September 28, 1996	
	Actual	As Adjusted(7)
BALANCE SHEET DATA:		
Working capital	$ 828.1	$ 654.6
Total assets	2,843.7	2,706.3
Total debt(8)	625.0	93.8
Stockholders' equity	366.0	746.4

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(1) The Ingram Thrift Plan holds 10,007,000 shares of Class B Common Stock prior to this offering and will hold 9,207,000 shares of Class B Common Stock assuming all Shares offered hereby are purchased. The Company has certain obligations with respect to the registration of the remaining Shares of Class B Common Stock held by the Ingram Thrift Plan. See "The Split-Off and the Reorganization--The Split-Off."

(2) Assumes all Shares offered in this offering are actually sold. The 800,000 Shares offered in this offering are currently outstanding Class B Common Stock, which will convert to Class A Common Stock automatically upon purchase in this offering. See "Selling Stockholder" and "Principal Stockholders." Excludes approximately 21,000,000 shares of Common Equity issuable in connection with outstanding stock options. See "Management--1996 Plan--Options" and "--Rollover Plan; Incentive Stock Units." Does not include Rollover Stock Options exercised after October 31, 1996. The Company has filed a registration statement on Form S-1 (the "Rollover S-1") relating to shares issuable upon exercise of certain Rollover Stock Options, and expects to file a registration statement on Form S-8 (the "Rollover S-8") in the near future relating to shares issuable upon exercise of those Rollover Stock Options held by employees of the Company. See "Shares Eligible for Future Sale."

(3) Each share of Class B Common Stock is convertible, at any time at the option of the holder, into one share of Common Stock. In addition, the Class B Common Stock will be automatically converted into Common Stock upon the occurrence of certain events. See "Description of Capital Stock."

(4) Reflects a non-cash compensation charge of $8.9 million ($5.4 million, or $0.04 per share, net of tax) in connection with the granting of the Rollover Stock Options. See "Managment's Discussion and Analysis of Financial Condition and Results of Operations--Overview," "The Split-Off and the Reorganization--The Split-Off," and Note 11 of Notes to Consolidated Financial Statements.

(5) The 1992 results reflect the adoption of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("FAS 109").

(6) See Note 2 of Notes to Consolidated Financial Statements.

(7) As adjusted to reflect (i) the assumption by the Company of the accounts receivable securitization program of Ingram Industries in

partial satisfaction of amounts due to Ingram Industries (resulting in a $160.0 million decrease in each of working capital, total assets, and total debt), (ii) approximately $22.6 million of indebtedness to be incurred by the Company in connection with the acquisition of certain facilities currently utilized by the Company, (iii) the issuance of the Common Stock sold by the Company in the IPO, (iv) the repayment of certain indebtedness with the estimated net proceeds therefrom, and (v) the additional $13.4 million non-cash compensation charge related to certain of the Rollover Stock Options, as if such transactions had occurred on September 28, 1996. Does not reflect the issuance of any Common Stock upon exercise of Rollover Stock Options. If all 2,867,374 shares being offered by the Company pursuant to the Rollover S-1 were purchased, the Company would receive net proceeds of approximately $4.1 million and estimated realizable tax benefits not quantifiable at this time. See "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations--Overview," "--Liquidity and Capital Resources," and "Certain Transactions."

(8) Includes long-term debt, current maturities of long-term debt, and amounts due to Ingram Industries.

RISK FACTORS

In evaluating the Company's business, prospective investors should carefully consider the following factors in addition to the other information contained in this Prospectus.

Intense Competition. The Company operates in a highly competitive environment, both in the United States and internationally. The microcomputer products distribution industry is characterized by intense competition, based primarily on price, product availability, speed and accuracy of delivery, effectiveness of sales and marketing programs, credit availability, ability to tailor specific solutions to customer needs, quality and breadth of product lines and services, and availability of technical and product information. The Company's competitors include regional, national, and international wholesale distributors, as well as hardware manufacturers, networking equipment manufacturers, and software publishers that sell directly to resellers and large resellers who resell to other resellers. There can be no assurance that the Company will not lose market share in the United States or in international markets, or that it will not be forced in the future to reduce its prices in response to the actions of its competitors and thereby experience a further reduction in its gross margins. See "--Narrow Margins" and "Business--Competition."

The Company entered the "aggregator" or "master reseller" business by launching Ingram Alliance in late 1994. See "Business--Ingram Alliance." The Company competes with other master resellers, which sell to groups of affiliated franchisees and third-party dealers. Many of the Company's competitors in the master reseller business are more experienced and have more established contacts with affiliated resellers, third-party dealers, or suppliers, which may provide them with a competitive advantage over the Company.

The Company is constantly seeking to expand its business into areas closely related to its core microcomputer products distribution business. As the Company enters new business areas, it may encounter increased competition from current competitors and/or from new competitors, some of which may be current customers of the Company. For example, the Company intends to distribute media in the new digital video disc format and may compete with traditional music and printed media distributors. In addition, certain services the Company provides may directly compete with those provided by the Company's reseller customers. There can be no assurance that increased competition and adverse reaction from customers resulting from the Company's expansion into new business areas will not have a material adverse effect on the Company's business, financial condition, or results of operations. See "Business--The Industry" and "--Competition."

Narrow Margins. As a result of intense price competition in the microcomputer products wholesale distribution industry, the Company's margins have historically been narrow and are expected in the future to continue to be narrow. See "--Intense Competition." These narrow margins magnify the impact on operating results of variations in operating costs. The Company's gross margins have declined from 8.1% for 1993 to 6.8% for the thirty-nine weeks ended September 28, 1996. The Company receives purchase discounts from suppliers based on a number of factors, including sales or purchase volume and breadth of customers. These purchase discounts directly affect gross margins. Because many purchase discounts from suppliers are based on percentage increases in sales of products, it may become more difficult for the Company to achieve the percentage growth in sales required for larger discounts due to the current size of the Company's revenue base. The Company's gross margins have been further reduced by the Company's entry into the master reseller business through Ingram Alliance, which has lower gross margins than the Company's traditional wholesale distribution business. See "--Risks Associated with Ingram Alliance" and "Business--Ingram Alliance." The Company has taken a number of steps intended to address the challenges of declining gross margins, particularly by continually improving and enhancing its information systems and implementing procedures and systems designed to provide greater warehousing efficiencies and greater accuracy in shipping. However, there can be no assurance that these steps will prevent gross margins from continuing to decline. If the Company's gross margins continue to decline, the Company will be required to reduce operating expenses as a percentage of net sales further in order to maintain or increase its operating margins. While the Company will continue to explore ways to improve gross margins and reduce operating expenses as a percentage of net sales, there can be no assurance that the Company will be successful in such efforts or that the Company's margins will not decline in the future. See "Management's

Discussion and Analysis of Financial Condition and Results of Operations."

Fluctuations in Quarterly Results. The Company's quarterly net sales and operating results have varied significantly in the past and will likely continue to do so in the future as a result of seasonal variations in the demand for the products and services offered by the Company, the introduction of new hardware and software technologies and products offering improved features and functionality, the introduction of new products and services by the Company and its competitors, the loss or consolidation of a significant supplier or customer, changes in the level of operating expenses, inventory adjustments, product supply constraints, competitive conditions including pricing, interest rate fluctuations, the impact of acquisitions, currency fluctuations, and general economic conditions. The Company's narrow margins may magnify the impact of these factors on the Company's operating results.

Specific historical seasonal variations in the Company's operating results have included a reduction of demand in Europe during the summer months, increased Canadian government purchasing in the first quarter, and pre-holiday stocking in the retail channel during the September to November period. In addition, as was the case with the introduction of Microsoft Windows 95 in August 1995, the product cycle of major products may materially impact the Company's business, financial condition, or results of operations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Quarterly Data; Seasonality." Changes in supplier supported programs may also have a material impact on the Company's quarterly net sales and operating results. The Company may be unable to adjust spending sufficiently in a timely manner to compensate for any unexpected sales shortfall, which could materially adversely affect quarterly operating results. Accordingly, the Company believes that period-to-period comparisons of its operating results should not be relied upon as an indication of future performance. In addition, the results of any quarterly period are not indicative of results to be expected for a full fiscal year. In certain future quarters, the Company's operating results may be below the expectations of public market analysts or investors. In such event, the market price of the Common Stock would be materially adversely affected.

Capital Intensive Nature of Business; High Degree of Leverage. The Company's business requires significant levels of capital to finance accounts receivable and product inventory that is not financed by trade creditors. The Company is highly leveraged and has relied heavily on debt financing for its increasing working capital needs in connection with the expansion of its business. At December 30, 1995 and September 28, 1996, the Company's total debt was $850.5 million and $625.0 million, respectively, and represented 73.6% and 63.0%, respectively, of the Company's total capitalization. Pro forma for the IPO and the application of the estimated net proceeds therefrom, and the incurrence of approximately $22.6 million of indebtedness in connection with the acquisition of certain facilities currently utilized by the Company, as of September 28, 1996, the Company's total debt would have been $93.8 million and would have represented 11.1% of the Company's total capitalization. See "Capitalization," and "Management's Discussion and Analysis of Financial Condition and Results of Operations." In order to continue its expansion, the Company will need additional financing, including debt financing, which may or may not be available on terms acceptable to the Company, or at all. The Company expects that the ratio of total debt to total capitalization will likely increase over time. While a portion of the Company's historical financing needs has been satisfied through internally generated funds and trade creditors, a substantial amount has come from intercompany borrowings under debt facilities and an accounts receivable securitization facility maintained by Ingram Industries. No assurance can be given that the Company will continue to be able to borrow in adequate amounts for these or other purposes on terms acceptable to the Company, and the failure to do so could have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company has entered into a $1 billion Credit Facility (the "Credit Facility") with NationsBank of Texas N.A. and The Bank of Nova Scotia, acting as Agents for a syndicate of lenders. The Credit Facility became effective immediately prior to the closing of the IPO. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources." Concurrently with the Split-Off, the Company used borrowings under the Credit Facility to repay (i) intercompany indebtedness in partial satisfaction of amounts due to Ingram Industries (the Company assumed Ingram Industries' accounts receivable securitization program in satisfaction of the remaining amounts due to Ingram Industries) and (ii) outstanding revolving indebtedness related to amounts drawn by certain of the Company's subsidiaries, as participants in Ingram Industries' then existing unsecured credit facility, which terminated concurrently with the closing of the IPO. The net proceeds from the IPO were used to repay a portion of the borrowings under the Credit Facility. The Company's ability in the future to satisfy its debt obligations will be dependent upon its future performance, which is subject to prevailing economic conditions and financial, business, and other factors, including factors beyond the Company's control. See "--Fluctuations in Quarterly Results," "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources," "Certain Transactions," and "The Split-Off and the Reorganization--The Reorganization."

Management of Growth. The rapid growth of the Company's business has required the Company to make significant recent additions in personnel and has significantly increased the Company's working capital requirements. Although the Company has experienced significant sales growth in recent years, such growth should not be considered indicative of future sales growth. Such growth has resulted in new and increased responsibilities for management personnel and has placed and continues to place a significant strain upon the Company's management, operating and financial systems, and other resources. There can be no assurance that the strain placed upon the

Company's management, operating and financial systems, and other resources will not have a material adverse effect on the Company's business, financial condition, and results of operations, nor can there be any assurance that the Company will be able to attract or retain sufficient personnel to continue the expansion of its operations. Also crucial to the Company's success in managing its growth will be its ability to achieve additional economies of scale. There can be no assurance that the Company will be able to achieve such economies of scale, and the failure to do so could have a material adverse effect on the Company's business, financial condition, and results of operations.

To manage the expansion of its operations, the Company must continuously evaluate the adequacy of its management structure and its existing systems and procedures, including, among others, its data processing, financial, and internal control systems. When entering new geographic markets, the Company will be required to implement the Company's centralized IMpulse information processing system on a timely and cost-effective basis, hire personnel, establish suitable distribution centers, and adapt the Company's distribution systems and procedures to these new markets. There can be no assurance that management will adequately anticipate all of the changing demands that growth could impose on the Company's systems, procedures, and structure. In addition, the Company will be required to react to changes in the microcomputer distribution industry, and there can be no assurance that it will be able to do so successfully. Any failure to adequately anticipate and respond to such changing demands may have a material adverse effect on the Company's business, financial condition, or results of operations. See "--Dependence on Information Systems" and "Business--Information Systems."

Dependence on Information Systems. The Company depends on a variety of information systems for its operations, particularly its centralized IMpulse information processing system which supports more than 40 operational functions including inventory management, order processing, shipping, receiving, and accounting. At the core of IMpulse is on-line, real-time distribution software which supports basic order entry and processing and customers' shipments and returns. The Company's information systems require the services of over 350 of the Company's associates with extensive knowledge of the Company's information systems and the business environment in which the Company operates. Although the Company has not in the past experienced significant failures or downtime of IMpulse or any of its other information systems, any such failure or significant downtime could prevent the Company from taking customer orders, printing product pick-lists, and/or shipping product and could prevent customers from accessing price and product availability information from the Company. In such event, the Company could be at a severe disadvantage in determining appropriate product pricing or the adequacy of inventory levels or in reacting to rapidly changing market conditions, such as a currency devaluation. A failure of the Company's information systems which impacts any of these functions could have a material adverse effect on the Company's business, financial condition, or results of operations. In addition, the inability of the Company to attract and retain the highly skilled personnel required to implement, maintain, and operate IMpulse and the Company's other information systems could have a material adverse effect on the Company's business, financial condition, or results of operations. In order to react to changing market conditions, the Company must continuously expand and improve IMpulse and its other information systems. From time to time the Company may acquire other businesses having information systems and records which must be converted and integrated into IMpulse or other Company information systems. This can be a lengthy and expensive process that results in a significant diversion of resources from other operations. The inability of the Company to convert the information systems of any acquired businesses to the Company's information systems and to train its information systems personnel in a timely manner and on a cost-effective basis could materially adversely affect the Company's business, financial condition, or results of operations. There can be no assurance that the Company's information systems will not fail, that the Company will be able to attract and retain qualified personnel necessary for the operation of such systems, that the Company will be able to expand and improve its information systems, or that the information systems of acquired companies will be successfully converted and integrated into the Company's information systems on a timely and cost-effective basis. See "Business--Information Systems."

Exposure to Foreign Markets; Currency Risk. The Company, through its subsidiaries, operates in a number of countries outside the United States, including Canada, Mexico, most of the countries of the European Union, Norway, Malaysia, and Singapore. In 1994, 1995, and the first three quarters of 1996, 29.3%, 30.7%, and 30.0%, respectively, of the Company's net sales were derived from operations outside of the United States, and the Company expects its international net sales to increase as a percentage of total net sales in the future. See "Business--Geographic Tactics." The Company's international net sales are primarily denominated in currencies other than the U.S. dollar. Accordingly, the Company's international operations impose risks upon its business as a result of exchange rate fluctuations. Although the Company attempts to mitigate the effect of exchange rate fluctuations on its business, primarily by attempting to match the currencies of sales and costs, as well as through the use of foreign currency borrowings and derivative financial instruments such as forward exchange contracts, the Company does not seek to remove all risk associated with such fluctuations. Accordingly, there can be no assurance that exchange rate fluctuations will not have a material adverse effect on the Company's business, financial condition, or results of operations in the future. In certain countries outside the United States, operations are accounted for primarily on a U.S. dollar denominated basis. In the event of an unexpected devaluation of the local currency in those countries, the Company may experience significant foreign exchange losses. For example, the devaluation of the Mexican peso, which began in December 1994, significantly affected the Company's Mexican operations. The primary impact on the Company's operating results was a foreign exchange pre-tax charge of approximately $6.9 million and $7.8 million in 1994 and 1995, respectively. In addition, the Company's net sales in Mexico were adversely affected in 1995

as a result of the general economic impact of the devaluation of the Mexican peso. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

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, difficulties in collecting accounts receivable and longer collection periods, and the impact of local economic conditions and practices. As the Company continues to expand its international business, its success will be dependent, in part, on its ability to anticipate and effectively manage these and other risks. There can be no assurance that these and other factors will not have a material adverse effect on the Company's international operations or its business, financial condition, and results of operations as a whole.

Dependence on Key Individuals. The Company is dependent in large part on its ability to retain the services of its executive officers, especially Messrs. Jerre L. Stead (Chief Executive Officer and Chairman of the Board of Directors), Jeffrey R. Rodek (Worldwide President and Chief Operating Officer), and David R. Dukes (Vice Chairman of Ingram Micro and Chief Executive Officer of Ingram Alliance). The loss of any of the Company's executive officers could have a material adverse effect on the Company. The Company does not have employment agreements with most of its executive officers, although it does have agreements, primarily relating to severance arrangements, with certain of the Named Executive Officers (as defined herein). See "Management--Employment Agreements." The Company's continued success is also dependent upon its ability to retain and attract other qualified employees to meet the Company's needs. See "Business--Employees."

Effective August 27, 1996, the Company appointed Jerre L. Stead as its Chief Executive Officer and Chairman of the Board. Linwood A. (Chip) Lacy, Jr., the Company's Chief Executive Officer since 1985, resigned effective May 31, 1996. Although the Company believes that one of its distinguishing characteristics is the strength of its senior and middle management personnel, there can be no assurance that the Company will not experience a material adverse effect on its business, financial condition, or results of operations as a result of the resignation of Mr. Lacy. See "Management--Employment Agreements."

Product Supply; Dependence on Key Suppliers. The ability of the Company to obtain particular products or product lines in the required quantities and to fulfill customer orders on a timely basis is critical to the Company's success. In most cases, the Company has no guaranteed price or delivery agreements with its suppliers. As a result, the Company has experienced, and may in the future continue to experience, short-term inventory shortages. In addition, manufacturers who currently distribute their products through the Company may decide to distribute, or to substantially increase their existing distribution, through other distributors, their own dealer networks, or directly to resellers. Further, the personal computer industry experiences significant product supply shortages and customer order backlogs from time to time due to the inability of certain manufacturers to supply certain products on a timely basis. There can be no assurance that suppliers will be able to maintain an adequate supply of products to fulfill the Company's customer orders on a timely basis or that the Company will be able to obtain particular products or that a product line currently offered by suppliers will continue to be available. The failure of the Company to obtain particular products or product lines in the required quantities or fulfill customer orders on a timely basis could have a material adverse effect on its business, financial condition, or results of operations.

Although Ingram Micro regularly stocks products and accessories supplied by over 1,100 suppliers, approximately 36.5%, 41.4%, 53.2%, and 55.2% of the Company's net sales in 1993, 1994, 1995, and the first three quarters of 1996, respectively, were derived from products provided by its ten largest suppliers. In 1995, 23.4% of the Company's net sales were derived from sales of products from Microsoft (12.7%), Compaq Computer (10.7%), and Hewlett-Packard (9.5%). In the first three quarters of 1996, 33.2% of the Company's net sales were derived from sales of products from Compaq Computer (13.7%), Microsoft (10.4%), and Hewlett-Packard (9.1%). Certain of the Company's non-U.S. operations are even more dependent on a limited number of suppliers. In addition, many services that the Company provides to its reseller customers, such as financing and technical training, are dependent on supplier support. The loss of a major supplier, the deterioration of the Company's relationship with a major supplier, the loss or deterioration of supplier support for certain Company-provided services, the decline in demand for a particular supplier's product, or the failure of the Company to establish good relationships with major new suppliers could have a material adverse effect on the Company's business, financial condition, or results of operations. Such a loss, deterioration, decline, or failure could also have a material adverse effect on the sales by the Company of products provided by other suppliers.

The Company's ability to achieve increases in net sales or to sustain current net sales levels depends in part on the ability and willingness of the Company's suppliers to provide products in the quantities the Company requires. Although the Company has written distribution agreements with many of its suppliers, these agreements usually provide for nonexclusive distribution rights and often include territorial restrictions that limit the countries in which Ingram Micro is permitted to distribute the products. The agreements are also generally short term, subject to periodic renewal, and often contain provisions permitting termination by either party without cause upon relatively short notice. The termination of an agreement may have a material adverse impact on the Company's business, financial condition, or results of operations. See "Business--Products and Suppliers."

Risks Associated with Ingram Alliance. Ingram Micro entered the master reseller (also known as "aggregation") business in late 1994 through the launch of Ingram Alliance. Ingram Alliance is designed to offer resellers access to products supplied by certain of the industry's leading hardware manufacturers at competitive prices by utilizing a low-cost business model that depends upon a higher average order size, lower product returns percentage, and supplier-paid financing. The master reseller business is characterized by gross margins and operating margins that are even narrower than those of the U.S. microcomputer products wholesale distribution business and by competition based almost exclusively on price, programs, and execution. In the master reseller business, the Company has different supply arrangements and financing terms than in its traditional wholesale distribution business. There can be no assurance that the Company will be able to compete successfully in the master reseller business. A failure by Ingram Alliance to compete successfully could have a material adverse effect on the Company's business, financial condition, or results of operations.

A substantial portion of Ingram Alliance's net sales (approximately 89.9% during 1995 and 92.5% during the thirty-nine weeks ended September 28, 1996) is derived from the sale of products supplied by Compaq Computer, IBM, Toshiba, NEC, and Apple Computer. As a result, Ingram Alliance's business is dependent upon price and related terms and availability of products provided by these key suppliers. Although the Company considers Ingram Alliance's relationships with these suppliers to be good, there can be no assurance that these relationships will continue as presently in effect or that changes by one or more of such key suppliers in their volume discount schedules or other marketing programs would not adversely affect the Company's business, financial condition or results of operations. Termination or nonrenewal of Ingram Alliance's agreements with key suppliers would have a material adverse effect on the Company's business, financial condition, or results of operations.

Although the Company's wholesale distribution division sells Hewlett-Packard products, Ingram Alliance has not historically had authorization to sell Hewlett-Packard products in the master reseller market. Because of Hewlett-Packard's position as a major supplier of microcomputer hardware products, the Company believes that sales of Hewlett-Packard products likely account for a substantial portion of sales at Ingram Alliance's competitors in the master reseller business. The inability to offer Hewlett-Packard's products has placed Ingram Alliance at a competitive disadvantage to its competitors because it has been unable to provide a full range of products to its customers. In late October 1996, Ingram Alliance, along with Tech Data Elect, was authorized to sell Hewlett-Packard products in the master reseller market. The arrangement with Hewlett-Packard provides that Ingram Alliance and Tech Data Elect may commence sales of Hewlett-Packard products in January 1997. There can be no assurance that Ingram Alliance will be able to compete effectively in the sale of Hewlett-Packard products within the master reseller market. See "Business--Ingram Alliance."

Acquisitions. As part of its growth strategy, the Company pursues the acquisition of companies that either complement or expand its existing business. As a result, the Company is continually evaluating potential acquisition opportunities, which may be material in size and scope. Acquisitions involve a number of risks and difficulties, including expansion into new geographic markets and business areas, the requirement to understand local business practices, the diversion of management's attention to the assimilation of the operations and personnel of the acquired companies, the integration of the acquired companies' management information systems with those of the Company, potential adverse short-term effects on the Company's operating results, the amortization of acquired intangible assets, and the need to present a unified corporate image.

The Company does not currently have any commitments or agreements with respect to any material acquisitions. The Company is currently in negotiations regarding potential acquisitions or joint ventures, none of which, if consummated, would be material to the Company's business. The Company anticipates that one or more potential acquisition opportunities, including some that could be material to the Company, may become available in the future. The Company may issue equity securities to consummate acquisitions, which may cause dilution to investors purchasing Common Stock in this offering. In addition, the Company may be required to utilize cash or increase its borrowings to consummate acquisitions. No assurance can be given that the Company will have adequate resources to consummate any acquisition, that any acquisition by the Company will or will not occur, that if any acquisition does occur it will not have a material adverse effect on the Company, its business, financial condition, or results of operations or that any such acquisition will be successful in enhancing the Company's business. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Risk of Declines in Inventory Value. The Company's business, like that of other wholesale distributors, is subject to the risk that the value of its inventory will be adversely affected by price reductions by suppliers or by technological changes affecting the usefulness or desirability of the products comprising the inventory. It is the policy of most suppliers of microcomputer products to protect distributors such as the Company, who purchase directly from such suppliers, from the loss in value of inventory due to technological change or the supplier's price reductions. Under the terms of many distribution agreements, suppliers will credit the distributor for inventory losses resulting from the supplier's price reductions if the distributor complies with certain conditions. In addition, under many such agreements, the distributor has the right to return for credit or exchange for other products a portion of the inventory items purchased, within a designated period of time. A supplier who elects to terminate a distribution agreement generally will repurchase from the distributor the supplier's products carried in the distributor's inventory. The industry practices discussed above 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 will continue, that unforeseen new product developments will not materially adversely affect the Company, or that the Company will be able to successfully manage its existing and future inventories. The Company's risk of declines in inventory value could be greater outside the United States where agreements with suppliers are more restrictive with regard to price protection and the Company's ability to return unsold inventory. The Company establishes reserves for estimated losses due to obsolete inventory in the normal course of business. Historically, the Company has not experienced losses due to obsolete inventory materially in excess of established inventory reserves. However, significant declines in inventory value in excess of established inventory reserves could materially adversely affect the Company's business, financial condition, or results of operations.

The Company sometimes purchases from suppliers, usually at significant discounts, quantities of products that are nearing the end of their product life cycle. In addition, the Company's purchasing staff also seeks opportunities to purchase quantities of products from suppliers at discounts larger than those usually available. When the Company negotiates these purchases, it seeks to secure favorable terms for the return to suppliers of products unwanted by resellers and end-users.

Because some of these purchase agreements contain terms providing for a 60-day time limit on returns to suppliers, end-user or reseller delays in returning the product to the Company may make it difficult for the Company to meet the deadline for returns to suppliers, and the Company could be left with unwanted product. Additionally, some suppliers may be unwilling or unable to pay the Company for products returned to them under purchase agreements, and this trend may accelerate as consolidation in the industry increases. For products offered by major suppliers, each of these events, were they to occur, could materially adversely impact the Company's business, financial condition, or results of operations. See "Business--Products and Suppliers."

Dependence on Independent Shipping Companies. The Company relies almost entirely on arrangements with independent shipping companies for the delivery of its products. Products are shipped from suppliers to the Company through Skyway Freight Systems, Yellow Freight Systems, APL Land Transport Services, and ABF Freight Systems. Currently, Federal Express Corporation ("FedEx"), United Parcel Service ("UPS"), Western Package Service, General Parcel Services, Roadway Parcel Services, and Purolator Courier deliver the substantial majority of the Company's products to its reseller customers in the United States and Canada. In other countries, the Company typically relies on one or two shipping companies prominent in local markets. The termination of the Company's arrangements with one or more of these independent shipping companies, or the failure or inability of one or more of these independent shipping companies to deliver products from suppliers to the Company or products from the Company to its reseller customers or their end-user customers could have a material adverse effect on the Company's business, financial condition, or results of operations. For instance, an employee work stoppage or slow-down at one or more of these independent shipping companies could materially impair that shipping company's ability to perform the services required by the Company. There can be no assurance that the services of any of these independent shipping companies will continue to be available to the Company on terms as favorable as those currently available or that these companies will choose or be able to perform their required shipping services for the Company. See "Business--Operations--Shipping."

Rapid Technological Change; Alternate Means of Software Distribution. The microcomputer products industry is subject to rapid technological change, new and enhanced product specification requirements, and evolving industry standards. These changes may cause inventory in stock to decline substantially in value or to become obsolete. In addition, suppliers may give the Company limited or no access to new products being introduced. Although the Company believes that it has adequate price protection and other arrangements with its suppliers to avoid bearing the costs associated with these changes, no assurance can be made that future technological or other changes will not have a material adverse effect on the business, financial condition, or results of operations of the Company. Outside North America, the supplier contracts can be more restrictive and place more risks on the Company.

Net sales of software products have decreased as a percentage of total net sales in recent years due to a number of factors, including bundling of software with microcomputers; sales growth in Ingram Alliance, which is a hardware-only business; declines in software prices; and the emergence of alternative means of software distribution, such as site licenses and electronic distribution. The Company expects this trend to continue. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Overview" and "Business--Products and Suppliers."

Relationship with Ingram Industries, Ingram Entertainment, and the Ingram Family Stockholders. The Company has historically depended on Ingram Industries and other subsidiaries of Ingram Industries for financing, cash management, tax and payroll administration, property/casualty insurance, employee benefits administration, and certain other administrative services. In conjunction with the Split-Off, the Company, Ingram Industries, and Ingram Entertainment Inc. ("Ingram Entertainment"), a wholly-owned subsidiary of Ingram Industries, entered into agreements for the continued provision after the Split-Off of certain services formerly shared among such entities (collectively, the "Transitional Service Agreements"), as well as a tax sharing and tax services agreement. See "The Split-Off and the Reorganization--The Reorganization." The Company believes that the terms of the Transitional Service Agreements are on a basis as favorable to the Company as those that would have been obtained from third parties on an arm's length basis and that they are adequate to allow the Company to continue its business as previously conducted on an independent basis. The Company's

historical financial statements reflect an allocation of expenses in connection with the services covered by the Transitional Service Agreements. Although the Company expects the costs and fees to be paid by it in connection with the Transitional Service Agreements to be higher than its historical allocated costs, it does not believe the increase in costs will be material to its results of operations. In addition, the Transitional Service Agreements generally terminate on December 31, 1996, although payroll services under the Transitional Service Agreements will be provided through December 31, 1997. After such termination, the Company will be required to provide such services internally or find a third-party provider of such services. There can be no assurance that the Company will be able to secure the provision of such services on acceptable terms. Either the additional costs and fees associated with the Transitional Service Agreements or the failure to obtain acceptable provision of services upon termination of the Transitional Service Agreements could have a material adverse effect on the Company's business, financial condition, or results of operations. Each of the Company and Ingram Industries continues to be controlled by the Ingram Family Stockholders (as defined herein). See "--Control by Ingram Family Stockholders; Certain Anti-takeover Provisions." After the Split-Off, Ingram Entertainment continues to be a wholly-owned subsidiary of Ingram Industries. Although there can be no assurance, it is contemplated that, on or after June 20, 1997, certain remaining stockholders of Ingram Industries will exchange their remaining shares of Ingram Industries common stock for shares of Ingram Entertainment common stock. See "The Split-Off and the Reorganization--The Reorganization."

Furthermore, the Company has incurred, and anticipates incurring in the future, higher payroll costs associated with the hiring of certain additional personnel and the addition of certain officers, previously paid by Ingram Industries, to the Company's payroll. There can be no assurance that the Company's results of operations will not be materially adversely affected by such additional costs. See "--Capital Intensive Nature of Business; High Degree of Leverage," "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources," "Certain Transactions," and "The Split-Off and the Reorganization--The Reorganization."

In connection with the Split-Off, the Company made a $20.0 million distribution to Ingram Industries in the second quarter of 1996. The Company may be obligated to Ingram Industries for certain liabilities, fees or costs incurred in connection with the Split-Off. However, the Company believes such obligations will be largely offset by amounts due from Ingram Industries. See "The Split-Off and the Reorganization."

Control by Ingram Family Stockholders; Certain Anti-takeover Provisions. Immediately after the Split-Off and the closing of the IPO, 67.9% of the outstanding Common Equity (and 80.5% of the outstanding voting power) was held by the Ingram Family Stockholders. Martha R. Ingram, her children, certain trusts created for their benefit, and two charitable trusts and a foundation created by the Ingram family (collectively, the "Ingram Family Stockholders") have entered into a Board Representation Agreement (as defined herein) with the Company, which provides that certain types of corporate transactions, including transactions involving the potential sale or merger of the Company; the issuance of additional equity, warrants, or options; certain acquisitions; or the incurrence of significant indebtedness, may not be entered into without the written approval of at least a majority of the voting power held by certain of the Ingram Family Stockholders acting in their sole discretion. See "The Split-Off and the Reorganization--The Split-Off," "Principal Stockholders," and "Description of Capital Stock." Voting control by the Ingram Family Stockholders may discourage certain types of transactions involving an actual or potential change of control of the Company, including transactions in which the holders of the Company's Common Stock might receive a premium for their shares over the prevailing market price of the Common Stock.

Section 203 of the Delaware General Corporation Law (as amended from time to time, the "DGCL"), which is applicable to the Company, prohibits certain business combinations with certain stockholders for a period of three years after they acquire 15% or more of the outstanding voting stock of a corporation. See "Description of Capital Stock--Section 203 of the DGCL." In addition, the authorized but unissued capital stock of the Company includes 1,000,000 shares of preferred stock. The Board of Directors is authorized to provide for the issuance of such preferred stock in one or more series and to fix the designations, preferences, powers and relative, participating, optional or other rights and restrictions thereof. Accordingly, the Company may issue a series of preferred stock in the future that will have preference over the Common Equity with respect to the payment of dividends and upon liquidation, dissolution or winding-up or which could otherwise adversely affect holders of the Common Equity or discourage or make difficult any attempt to obtain control of the Company. See "Description of Capital Stock--Preferred Stock."

Shares Eligible for Future Sale. Assuming the sale of all shares being offered hereby, the Company will have outstanding 24,000,000 shares of Common Stock and 109,013,762 shares of Class B Common Stock, and an additional approximately 16,200,000 shares of Common Stock and approximately 4,800,000 shares of Class B Common Stock will be reserved for issuance upon exercise of outstanding stock options held by employees and directors of the Company, Ingram Industries, and Ingram Entertainment. See "Management." 23,000,000 of the shares of Common Stock sold by the Company in the IPO, and any shares of Common Stock sold in this offering, will be freely tradable without restriction. The Company and its directors and executive officers, and certain stockholders of the Company, have agreed, subject to certain exceptions, not to offer, sell, contract to sell or otherwise dispose of any Common Equity for a period of 180 days after October 31, 1996 without the prior written consent of Morgan Stanley & Co. Incorporated. Morgan Stanley & Co. Incorporated has informed the Company that it has no present intention to

consent to any such transactions. Despite these limitations, the sale of a significant number of these shares could have an adverse impact on the price of the Common Stock or on any trading market that may develop. See "Shares Eligible for Future Sale."

Absence of Public Market; Possible Volatility of Stock Price. Prior to the IPO, there was no public market for the Common Stock or the Class B Common Stock. There can be no assurance that an active trading market for the Common Stock will be sustained or that the market price of the Common Stock will not decline below the initial public offering price. The initial public offering price was determined by negotiations between the Company and the Representatives of the Underwriters. The market price of the Common Stock could be subject to wide fluctuations in response to quarterly variations in the Company's results of operations, changes in earnings estimates by research analysts, conditions in the personal computer industry, or general market or economic conditions, among other factors. In addition, in recent years the stock market has experienced extreme price and volume fluctuations. These fluctuations have had a substantial effect on the market prices of many technology companies, often unrelated to the operating performance of the specific companies. Such market fluctuations could materially adversely affect the market price for the Common Stock.

Dilution. The initial public offering price of the shares of Common Stock offered in the IPO and the offering price of the shares being offered hereby is substantially higher than the net tangible book value per share of the Common Equity.

THE COMPANY

Ingram Micro is the leading wholesale distributor of microcomputer products worldwide. The Company markets microcomputer hardware, networking equipment, and software products to more than 100,000 reseller customers in approximately 120 countries worldwide in three principal market sectors: the VAR sector, consisting of value-added resellers, systems integrators, network integrators, application VARs, and original equipment manufacturers; the Commercial sector, consisting of corporate resellers, direct marketers, independent dealers, and owner-operated chains; and the Consumer sector, consisting of consumer electronics stores, computer superstores, mass merchants, office product superstores, software-only stores, and warehouse clubs. As a wholesale distributor, the Company markets its products to each of these types of resellers as opposed to marketing directly to end-user customers.

The Company conducts business with most of the leading resellers of microcomputer products around the world, including, in the United States, AmeriData, CDW Computer Centers, CompuCom, CompUSA, Computer City, Electronic Data Systems, En Pointe Technologies, Entex Information Services, Micro Warehouse, Sam's Club, Staples, and Vanstar. The Company's international reseller customers include Complet Data A/S, Consultores en Diagnostico Organizacional y de Sistemas, DSG Retail Ltd., 06 Software Centre Europe, B.V., GE Capital Technologies, Jump Ordenadores, Maxima S.A., Norsk Datasenter, Owell Svenska AB, SNI Siemens Nixdorf Infosys AG, and TC Sistema S.p.A.

Ingram Micro offers one-stop shopping to its reseller customers by providing a comprehensive inventory of more than 36,000 products from over 1,100 suppliers, including most of the microcomputer industry's leading hardware manufacturers, networking equipment suppliers, and software publishers. The Company's broad product offerings include: desktop and notebook personal computers ("PCs"), servers, and workstations; mass storage devices; CD-ROM drives; monitors; printers; scanners; modems; networking hubs, routers, and switches; network interface cards; business application software; entertainment software; and computer supplies. The Company's suppliers include Apple Computer, Cisco Systems, Compaq Computer, Creative Labs, Hewlett-Packard, IBM, Intel, Microsoft, NEC, Novell, Quantum, Seagate, 3Com, Toshiba, and U.S. Robotics.

Ingram Micro distributes microcomputer products worldwide through warehouses in eight strategic locations in the continental United States and 22 international warehouses located in Canada, Mexico, most countries of the European Union, Norway, Malaysia, and Singapore. The Company believes that it is the market share leader in the United States, Canada, and Mexico, and the second largest full-line distributor in Europe. In 1995, approximately 31% of the Company's net sales were derived from operations outside the United States. The Export Division fulfills orders from U.S. exporters and from foreign customers in countries where the Company does not operate a distribution subsidiary, including much of Latin America, the Middle East, Africa, Australia, and parts of Europe and Asia. The Company participates in the master reseller business in the United States through Ingram Alliance.

The Company's principal objective is to enhance its position as the preeminent wholesale distributor of microcomputer products worldwide. The Company is focused on providing a broad range of products and services, quick and efficient order fulfillment, and consistent on-time and accurate delivery to its reseller customers around the world. The Company believes that IMpulse, the Company's on-line information system, provides a competitive advantage through real-time worldwide information access and processing capabilities. This information system, coupled with the Company's exacting operating procedures in telesales, credit support, customer service, purchasing, technical support, and warehouse operations, enables the Company to provide its reseller customers with superior service in an efficient and low cost manner. In addition, to enhance sales and support its suppliers and reseller customers, the Company provides a wide range of value-added services, such as technical training, order fulfillment, tailored financing programs,

systems configuration, and marketing programs.

The Company has grown rapidly over the past five years, with net sales and net income increasing to $8.6 billion and $84.3 million, respectively, in 1995 from $2.0 billion and $30.2 million, respectively, in 1991, representing compound annual growth rates of 43.8% and 29.3%, respectively. The Company's growth during this period reflects substantial expansion of its existing domestic and international operations, resulting from the addition of new customers, increased sales to the existing customer base, the addition of new product categories and suppliers, and the establishment of Ingram Alliance, as well as the successful integration of ten acquisitions worldwide. Because of intense price competition in the microcomputer products wholesale distribution industry, the Company's margins have historically been narrow and are expected in the future to continue to be narrow. In addition, the Company is highly leveraged and has relied heavily on debt financing for its increasing working capital needs in connection with the expansion of its business. See "Risk Factors--Narrow Margins" and "--Capital Intensive Nature of Business; High Degree of Leverage."

Prior to the Split-Off, the Company was a subsidiary of Ingram Industries, a company controlled by the Ingram Family Stockholders. The Company, Ingram Industries, and Ingram Entertainment have entered into certain agreements, pursuant to which the operations of the three companies are being reorganized (the "Reorganization"). In the Reorganization, the Company, Ingram Industries, and Ingram Entertainment allocated certain liabilities and obligations among themselves. Immediately prior to the closing of the IPO, Ingram Industries consummated an exchange, pursuant to which certain existing stockholders of Ingram Industries (including the Ingram Thrift Plan) exchanged all or a portion of their shares of Ingram Industries common stock for shares of Class B Common Stock of the Company in specified ratios. Immediately after the Split-Off and the closing of the IPO, none of the Common Equity was held by Ingram Industries, other than the 246,000 shares purchased by Ingram Industries in the IPO (including 15,000 shares purchased by Ingram Industries' subsidiary Ingram Entertainment). At such time, 67.9% of the outstanding Common Equity (and 80.5% of the outstanding voting power) was held by the Ingram Family Stockholders. See "Risk Factors--Control by Ingram Family Stockholders; Certain Anti-takeover Provisions." Such exchange of shares of Ingram Industries common stock for shares of Class B Common Stock of the Company, together with those elements of the Reorganization that occurred prior to the closing of the IPO, are referred to herein as the "Split-Off." See "Principal Stockholders" and "The Split-Off and the Reorganization." After the Split-Off, Ingram Entertainment continues to be a wholly-owned subsidiary of Ingram Industries. Although there can be no assurance, it is contemplated that, on or after June 20, 1997, certain remaining stockholders of Ingram Industries will exchange their remaining shares of Ingram Industries common stock for shares of Ingram Entertainment common stock. See "The Split-Off and the Reorganization."

The Company's earliest predecessor began business in 1979 as a California corporation named Micro D, Inc. This company and its parent, Ingram Micro Holdings Inc. ("Holdings"), grew through a series of acquisitions, mergers, and internal growth to encompass the Company's current operations. Ingram Micro Inc. was incorporated in Delaware on April 29, 1996, in order to effect the reincorporation of the Company in Delaware. The successor to Micro D, Inc. and Holdings were merged into Ingram Micro Inc. in October 1996. The Company's principal executive office is located at 1600 East St. Andrew Place, Santa Ana, California 92705, and its telephone number is (714) 566-1000.

USE OF PROCEEDS

Shares of Common Stock are being offered hereby solely for the account of the Ingram Thrift Plan. The Company will not receive any proceeds from sales of the Common Stock being offered hereby.

DIVIDEND POLICY

The Company has never declared or paid any dividends on the Common Equity other than the distribution made to Ingram Industries in connection with the Split-Off. See "Risk Factors--Relationship with Ingram Industries, Ingram Entertainment, and the Ingram Family Stockholders." The Company currently intends to retain its future earnings to finance the growth and development of its business and therefore does not anticipate declaring or paying cash dividends on the Common Equity for the foreseeable future. Any future determination to declare or pay dividends will be at the discretion of the Board of Directors and will be dependent upon the Company's financial condition, results of operations, capital requirements, and such other factors as the Board of Directors deems relevant. In addition, the Credit Facility and the Company's other debt facilities contain restrictions on the declaration and payment of dividends.

CAPITALIZATION

The following table sets forth, as of September 28, 1996, (i) the actual short-term debt and capitalization of the Company and (ii) such short-term debt and capitalization as adjusted to give effect to the Split-Off, the sale of the shares of Common Stock offered by the Company in the IPO at $18.00 per share (after deducting underwriting discounts and commissions and estimated offering expenses), the application of the estimated net proceeds therefrom, and the sale of the 800,000 shares of Common Stock offered hereby.

	September 28, 1996	
	Actual	As Adjusted (1)
Short-term debt:		
Current maturities of long-term debt	$ 16,458	$ 16,458
Long-term debt:		
Long-term debt	$128,855	$ 77,298
Due to Ingram Industries	479,703	0
Total long-term debt	608,558	77,298
Redeemable Class B Common Stock	17,223	17,223
Stockholders' equity(2)(3):		
Preferred Stock, $0.01 par value; 1,000,000 shares authorized; 0 shares issued and outstanding	0	0
Class A Common Stock, $0.01 par value; 265,000,000 shares authorized; 0 and 24,000,000 shares issued and outstanding, respectively	0	240
Class B Common Stock, $0.01 par value; 135,000,000 shares authorized; 109,813,762 and 109,013,762 shares issued and outstanding, respectively (including 2,460,400 redeemable shares)	1,074	1,066
Additional paid in capital	23,140	416,752
Retained earnings	339,689	326,254
Cumulative translation adjustment	2,680	2,680
Unearned compensation	(594)	(594)
Total stockholders' equity	365,989	746,398
Total capitalization	$991,770	$840,919

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(1) As adjusted to reflect (i) the assumption by the Company of the accounts receivable program of Ingram Industries in satisfaction of amounts due to Ingram Industries (resulting in an increase of $319.7 million in long-term debt, a decrease of $479.7 million in amounts due to Ingram Industries, and a decrease of $160.0 million in trade accounts receivable, not reflected in this table), (ii) approximately $22.6 million of indebtedness to be incurred by the Company in connection with the acquisition of certain facilities currently utilized by the Company (resulting in an increase of $22.6 million in long-term debt, which is reflected in this table, and a similar increase in property and equipment, which is not reflected in this table), (iii) the issuance of the Common Stock sold by the Company in the IPO (after deducting underwriting discounts and commissions and estimated offering expenses in connection with the IPO), (iv) the repayment of certain revolving indebtedness with the estimated net proceeds therefrom, (v) the additional $13.4 million non-cash compensation charge related to certain of the Rollover Stock Options, and (vi) the sale of all of the shares being offered hereby, as if such transactions had occurred on September 28, 1996. See "Dilution," "Management's Discussion and Analysis of Financial Condition and Results of Operations--Overview," "--Liquidity and Capital Resources," and "Certain Transactions."

(2) Each share of Class B Common Stock is convertible, at any time at the option of the holder, into one share of Common Stock. In addition, the Class B Common Stock will be automatically converted into Common Stock upon the occurrence of certain events. See "Description of Capital Stock."

(3) Excludes approximately 21,000,000 shares of Common Equity issuable in connection with outstanding stock options. See "Management--1996 Plan--Options" and "--Rollover Plan; Incentive Stock Units." The Company has filed the Rollover S-1 and expects to file the Rollover S-8 in the near future. See "Shares Eligible for Future Sale."

SELECTED CONSOLIDATED FINANCIAL DATA

The following table presents selected consolidated financial data of the Company. The information set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical consolidated financial statements and notes thereto included elsewhere in this Prospectus. The consolidated statement of income data set forth below for each of the three years in the period ended December 30, 1995 and the consolidated balance sheet data at December 31, 1994 and December 30, 1995 are derived from, and are qualified by reference to, the audited consolidated financial statements included elsewhere in this Prospectus, and should be read in conjunction with those financial statements and the notes thereto. The consolidated balance sheet data as of January 1, 1994 are derived from the audited consolidated balance sheet of the Company as of January 1, 1994, which is not included in this Prospectus. The consolidated statement of income data for each of the two years in the period ended January 2, 1993 and the consolidated balance sheet data as of December 28, 1991 and January 2, 1993 are derived from unaudited consolidated financial statements not included in this Prospectus. The consolidated financial data as of and for the thirty-nine weeks ended September 30, 1995, and as of and for the thirty-nine weeks ended September 28, 1996, have been derived from unaudited consolidated financial statements of the Company which are included in this Prospectus and which, in the opinion of the Company, reflect all adjustments, consisting only of adjustments of a

normal and recurring nature, necessary for a fair presentation. Results for the thirty-nine weeks ended September 28, 1996 are not necessarily indicative of results for the full year. The historical consolidated financial data may not be indicative of the Company's future performance and do not necessarily reflect what the financial position and results of operations of the Company would have been had the Company operated as a separate, stand-alone entity during the periods covered. See "Consolidated Financial Statements."

	Fiscal Year					Thirty-nine Weeks Ended	
	1991	1992	1993	1994	1995	September 30, 1995	September 28, 1996
	(in thousands except per share data)						
Net sales	$2,016,586	$2,731,272	$4,044,169	$5,830,199	$8,616,867	$6,070,722	$8,474,710
Cost of sales	1,831,140	2,503,702	3,714,527	5,391,224	8,011,181	5,648,210	7,900,223
Gross profit	185,446	227,570	329,642	438,975	605,686	422,512	574,487
Expenses:							
Selling, general and administrative	116,793	157,306	225,047	296,330	415,344	296,079	386,492
Charges allocated from Ingram Industries	1,030	1,330	1,567	2,355	3,461	2,561	3,259
Non-cash compensation charge	0	0	0	0	0	0	8,859(2)
	117,823	158,636	226,614	298,685	418,805	298,640	398,610(2)
Income from operations	67,623	68,934	103,028	140,290	186,881	123,872	175,877(2)
Other (income) expense:							
Interest income	(256)	(103)	(407)	(937)	(3,479)	(3,049)	(1,188)
Interest expense	3,233	5,556	5,003	8,744	13,451	8,918	10,608
Interest expense charged by Ingram Industries	11,859	12,405	16,089	24,189	32,606	22,977	30,912
Net foreign currency exchange Loss	0	0	111	6,873	7,751	6,572	447
Other	324	2,574	(623)	716	1,936	405	1,689
	15,160	20,432	20,173	39,585	52,265	35,823	42,468
Income before income taxes and minority interest	52,463	48,502	82,855	100,705	134,616	88,049	133,409(2)
Provision for income taxes	22,286	17,529	31,660	39,604	53,143	34,755	55,459
Income before minority interest	30,177	30,973	51,195	61,101	81,473	53,294	77,950(2)
Minority interest	0	0	840	(2,243)	(2,834)	(2,986)	383
Net income(1)	$ 30,177	$ 30,973	$ 50,355	$ 63,344	$ 84,307	$ 56,280	$ 77,567(2)
Earnings per share	$ 0.25	$ 0.26	$ 0.41	$ 0.52	$ 0.69	$ 0.46	$ 0.64(2)
Weighted average common shares outstanding	121,407	121,407	121,407	121,407	121,407	121,407	121,687

	December 28, 1991	January 2, 1993	January 1, 1994	December 31, 1994	December 30, 1995	September 28, 1996
	(in thousands)					
Cash	$ 15,510	$ 25,276	$ 44,391	$ 58,369	$ 56,916	$ 43,196
Working capital	288,462	334,913	471,616	663,049	1,019,639	828,084
Total assets	670,649	915,590	1,296,363	1,974,289	2,940,898	2,843,712
Total debt(3)	244,785	295,389	398,929	552,283	850,548	625,016
Stockholder's equity	78,972	109,418	155,459	221,344	310,795	365,989

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(1) The 1992 results reflect the adoption of FAS 109.

(2) Reflects a non-cash compensation charge of $8.9 million ($5.4 million, or $0.04 per share, net of tax) in connection with the granting of the Rollover Stock Options. See Note 11 of Notes to Consolidated Financial Statements.

(3) Includes long-term debt, current maturities of long-term debt, and amounts due to Ingram Industries.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Ingram Micro is the leading wholesale distributor of microcomputer products worldwide. The Company's net sales have grown to $8.6 billion in 1995 from $2.0 billion in 1991. This sales growth reflects

substantial expansion of its existing domestic and international operations, resulting from the addition of new customers, increased sales to the existing customer base, the addition of new product categories and suppliers, and the establishment of Ingram Alliance, as well as the successful integration of ten acquisitions worldwide. Net income has grown to $84.3 million in 1995 from $30.2 million in 1991.

The microcomputer wholesale distribution industry in which the Company operates is characterized by narrow gross and operating margins, which have declined industry-wide in recent years, primarily due to intense price competition. The Company's gross margins declined to 7.0% in 1995 from 9.2% in 1991. To partially offset the decline in gross margins, the Company has continually instituted operational and expense controls which have reduced selling, general, and administrative ("SG&A") expenses (including charges allocated from Ingram Industries) as a percentage of net sales to 4.8% in 1995 from 5.8% in 1991. As a result, the Company's operating margins and net margins have declined less than gross margins. Operating margins declined to 2.2% in 1995 from 3.4% in 1991, and net margins declined to 1.0% in 1995 from 1.5% in 1991. There can be no assurance that the Company will be able to continue to reduce operating expenses as a percentage of net sales to mitigate further reductions in gross margins. Although the Company's international operations have historically had similar gross margins to the Company's U.S. traditional wholesale operations, the Company's international operations have historically had lower operating margins due in part to greater economies of scale in the U.S. operations. See "Risk Factors--Narrow Margins."

Ingram Micro entered the master reseller (also known as "aggregation") business in late 1994 through the launch of Ingram Alliance. Ingram Alliance is designed to offer resellers access to certain of the industry's leading hardware manufacturers at competitive prices by utilizing a lower cost business model that depends upon a higher average order size, lower product returns percentage, and supplier-paid financing. In 1995, Ingram Alliance contributed over $700 million of net sales to the Company. Since its inception in late 1994, Ingram Alliance has operated with lower gross margins, lower SG&A expenses as a percentage of net sales, and lower financing costs than the Company's traditional wholesale distribution business. Accordingly, if Ingram Alliance's sales continue to grow as a percentage of the Company's total net sales, the Company expects such increase to cause its overall gross margins to decline.

The Company sells microcomputer hardware, networking equipment, and software products. Sales of hardware products (including networking equipment) represent a majority of total net sales and have historically generated a higher operating margin than sales of software products, although operating margins on both hardware products and software products have historically declined. Hardware products and networking equipment have comprised an increasing percentage, and software products a decreasing percentage, of the Company's net sales in recent years, and the Company expects this trend to continue. Net sales of software products have decreased as a percentage of total net sales in recent years due to a number of factors, including bundling of software with microcomputers; sales growth in Ingram Alliance, which is a hardware-only business; declines in software prices; and the emergence of alternative means of software distribution, such as site licenses and electronic distribution. See "Risk Factors--Rapid Technological Change; Alternate Means of Software Distribution" and "Business--Products and Suppliers."

Historically, the Company's sources of capital have primarily been borrowings from Ingram Industries through debt facilities maintained by Ingram Industries and guaranteed by the Company. The Company has entered into the $1 billion Credit Facility, which became effective immediately prior to the closing of the IPO. See "Liquidity and Capital Resources." Concurrently with the Split-Off, the Company used borrowings under the Credit Facility to repay (i) intercompany indebtedness in partial satisfaction of amounts due to Ingram Industries (the Company assumed Ingram Industries' accounts receivable securitization program in satisfaction of the remaining amounts due to Ingram Industries) and (ii) outstanding revolving indebtedness related to amounts drawn by certain of the Company's subsidiaries, as participants in Ingram Industries' then existing unsecured credit facility, which terminated concurrently with the closing of the IPO. The net proceeds from the IPO were used to repay a portion of the borrowings under the Credit Facility. The Company has historically depended on Ingram Industries and other subsidiaries of Ingram Industries for financing, management, tax and payroll administration, property/casualty insurance, employee benefits administration, and certain other administrative services. In conjunction with the Reorganization, the Company, Ingram Industries, and Ingram Entertainment entered into the Transitional Service Agreements, as well as a tax sharing and tax services agreement. See "The Split-Off and the Reorganization--The Reorganization." The Company believes that the terms of the Transitional Service Agreements are on a basis as favorable to the Company as those that would have been obtained from third parties on an arm's length basis. The Company's historical financial statements reflect an allocation of expenses in connection with the services covered by the Transitional Service Agreements. Although the Company expects the costs and fees to be paid by it in connection with the Transitional Service Agreements to be higher than its historical allocated costs, it does not believe the increase in costs will be material to its results of operations. On a long-term basis, the Company will be required to hire personnel to perform such services or contract with one or more independent third parties to provide such services. See "Risk Factors--Relationship with Ingram Industries, Ingram Entertainment, and the Ingram Family Stockholders."

The microcomputer wholesale distribution business is capital intensive. The Company's business requires significant levels of capital to finance accounts receivable and product inventory that is not financed by trade creditors. The Company is highly leveraged and has relied heavily on debt financing for its increasing working capital needs in connection with

the expansion of its business. The Company will need additional capital to finance its product inventory and accounts receivable as it expands its business. The Company's interest expense for any current or future indebtedness will be subject to fluctuations in interest rates and may cause fluctuations in the Company's net income. In connection with the Split-Off, the Company assumed Ingram Industries' accounts receivable securitization program, and financing costs associated with this program will be classified as other expense. Prior to the Split-Off, such expenses were reflected as interest expense charged by Ingram Industries. While this structure will not increase the Company's cost of financing, this change in the classification of financing costs will result in an increase in the Company's other expenses of approximately $10.5 million per year and a corresponding decrease in its interest expense.

In connection with the Split-Off, certain outstanding Ingram Industries options, incentive stock units ("ISUs"), and stock appreciation rights ("SARs") held by certain employees of Ingram Industries, Ingram Entertainment, and Ingram Micro were exchanged or converted to the Rollover Stock Options. See "Management--Rollover Plan; Incentive Stock Units." The Company has recorded a pre-tax non-cash compensation charge of approximately $8.9 million ($5.4 million net of tax) in the first three quarters of 1996 related to the vested portion of certain of the Rollover Stock Options as the terms and grants of the Rollover Stock Options were established in the first quarter of 1996. This charge was based on the difference between the estimated fair value of such options in the first quarter of 1996 and the exercise price of such options or SARs. In addition, at the time of the IPO, the Company was required by applicable accounting rules to record a non-cash compensation charge with respect to the vested portion of approximately 1,300,000 formula plan Rollover Stock Options included in the 11,000,000 shares. This non-cash charge was approximately $13.4 million based on the difference between the average exercise price of $2.63 per share and $18.00 per share, the initial public offering price of the Common Stock. The Company will be required by applicable accounting rules to record additional non-cash compensation charges over the remaining vesting periods of the Rollover Stock Options. These additional charges will be approximately $1.0 million ($0.6 million net of tax) in the aggregate for the fourth quarter of 1996, $7.1 million ($5.7 million net of tax) for 1997, and $4.6 million ($3.6 million net of tax) for 1998.

Results of Operations

The following table sets forth the Company's net sales by geographic region (excluding intercompany sales), and the percentage of total net sales represented thereby, for each of the periods indicated.

	Fiscal Year						Thirty-nine Weeks Ended			
	1993		1994		1995		September 30, 1995		September 28, 1996	
	(dollars in millions)									
Net Sales by Geographic Region(1):										
United States	$3,118	77.1%	$4,122	70.7%	$5,970	69.3%	$4,287	70.6%	$5,930	70.0%
Europe	485	12.0	1,078	18.5	1,849	21.4	1,239	20.4	1,745	20.6
Other international	441	10.9	630	10.8	798	9.3	545	9.0	800	9.4
Total	$4,044	100.0%	$5,830	100.0%	$8,617	100.0%	$6,071	100.0%	$8,475	100.0%

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(1) Net sales are classified by location of the Company entity. For example, products sold through Ingram Alliance or the U.S. Export Division are classified as United States sales.

The following table sets forth certain items from the Company's Consolidated Statement of Income as a percentage of net sales, for each of the periods indicated.

	Percentage of Net Sales				
	Fiscal Year			Thirty-nine Weeks Ended	
	1993	1994	1995	September 30, 1995	September 28, 1996
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	91.9	92.5	93.0	93.0	93.2
Gross profit	8.1	7.5	7.0	7.0	6.8
Expenses:					
SG&A expenses and charges allocated from Ingram Industries	5.6	5.1	4.8	5.0	4.6
Non-cash compensation charge	0.0	0.0	0.0	0.0	0.1
Income from operations	2.5	2.4	2.2	2.0	2.1
Other expense, net	0.5	0.7	0.6	0.5	0.5
Income before income taxes and					

minority interest.....	2.0	1.7	1.6	1.5	1.6
Provision for income taxes.....	0.8	0.6	0.6	0.6	0.7
Minority interest.....	0.0	0.0	0.0	0.0	0.0
Net income.....	1.2%	1.1%	1.0%	0.9%	0.9%

First Three Quarters 1996 Compared to First Three Quarters 1995

Consolidated net sales increased 39.6% to $8.5 billion in the first three quarters of 1996 from $6.1 billion in the first three quarters of 1995. Microsoft Windows 95 was launched in the third quarter of 1995, and sales of Microsoft Windows 95 accounted for $289.1 million of consolidated net sales in the first three quarters of 1995. The increase in worldwide net sales was attributable to growth in the microcomputer products industry in general, the addition of new customers, increased sales to the existing customer base, and expansion of the Company's product offerings.

Net sales from U.S. operations increased 38.3% to $5.9 billion in the first three quarters of 1996 from $4.3 billion in the first three quarters of 1995. In addition to the factors above that impacted net sales worldwide, U.S. net sales were positively impacted by the strong growth in Ingram Alliance sales. Net sales from European operations increased 40.8% to $1.7 billion in the first three quarters of 1996 from $1.2 billion in the first three quarters of 1995. Other international net sales increased 46.9% to $799.8 million in the first three quarters of 1996 from $544.5 million in the first three quarters of 1995, principally due to the growth in net sales from the Company's Canadian operations. In the first three quarters of 1996, net sales from U.S. operations accounted for 70.0% of consolidated net sales, net sales from European operations accounted for 20.6% of consolidated net sales, and other international net sales accounted for 9.4% of consolidated net sales. In the first three quarters of 1995, net sales from U.S. operations accounted for 70.6% of consolidated net sales, net sales from European operations accounted for 20.4% of consolidated net sales, and other international net sales accounted for 9.0% of consolidated net sales.

Cost of sales as a percentage of net sales increased to 93.2% in the first three quarters of 1996 from 93.0% in the first three quarters of 1995. This increase was largely attributable to competitive pricing pressures, especially in Europe, and the increase as a percentage of net sales of the lower gross margin Ingram Alliance business, which more than offset an increase in worldwide purchase discounts and rebates from the Company's suppliers.

Total SG&A expenses and charges allocated from Ingram Industries increased 30.5% to $389.8 million in the first three quarters of 1996 from $298.6 million in the first three quarters of 1995, but decreased as a percentage of net sales to 4.6% in the first three quarters of 1996 from 5.0% in the first three quarters of 1995. The increased level of spending was attributable to expenses required to support expansion of the Company's business, consisting primarily of incremental personnel and support costs, lease payments relating to new operating facilities, and expenses associated with the development and maintenance of information systems. The decrease in operating expenses as a percentage of net sales was primarily attributable to the growth of Ingram Alliance, which utilizes a lower cost business model, and economies of scale from higher sales volumes.

During the first three quarters of 1996, the Company recorded a non-cash compensation charge of $8.9 million or 0.1% of net sales in connection with the Rollover Stock Options. The Company did not record any such charge during the first three quarters of 1995.

Excluding the $8.9 million non-cash compensation charge in the first three quarters of 1996, total income from operations increased as a percentage of net sales to 2.2% in the first three quarters of 1996 from 2.0% in the first three quarters of 1995. Income from operations in the United States increased as a percentage of net sales to 2.7% in the first three quarters of 1996 from 2.6% in the first three quarters of 1995. Income from operations in Europe decreased as a percentage of net sales to 0.5% in the first three quarters of 1996 from 0.7% in the first three quarters of 1995. This decrease was offset by an increase in income from operations as a percentage of net sales for geographic regions outside the United States and Europe to 2.0% in the first three quarters of 1996 from 0.7% in the first three quarters of 1995. The first three quarters of 1995 included the negative impact of an inventory valuation loss of $3.8 million related to the decline in value of the Mexican peso and the associated impact on the Mexican economy.

For the reasons set forth above, income from operations, including the $8.9 million non-cash compensation charge, increased 42.0% to $175.9 million in the first three quarters of 1996 from $123.9 million in the first three quarters of 1995, and, as a percentage of net sales, increased to 2.1% in the first three quarters of 1996 from 2.0% in the first three quarters of 1995.

Other expense, net, which consists primarily of net interest expense (including interest expense charged by Ingram Industries), foreign currency exchange losses, and miscellaneous non-operating expenses, increased 18.5% to $42.5 million in the first three quarters of 1996 from $35.8 million in the first three quarters of 1995, but remained constant as a percentage of net sales at 0.5%. The increase in other expense was largely attributable to a higher level of borrowings to finance the Company's worldwide business expansion, partially offset by a period-over-period decrease in the amount of foreign currency losses which were primarily related to the 1995 Mexican peso devaluation.

The provision for income taxes increased 59.6% to $55.5 million in the first three quarters of 1996 from $34.8 million in the first three quarters of 1995, reflecting the 51.5% increase in the Company's income before income taxes and minority interest. The Company's effective tax rate was 41.6% in the first three quarters of 1996 compared to 39.5% in the first three quarters of 1995. The increase in the effective tax rate was primarily due to the effect of certain international taxes in 1996.

Excluding the $5.4 million (net of tax) non-cash compensation charge, net income increased 47.4% to $83.0 million in the first three quarters of 1996 from $56.3 million in the first three quarters of 1995 and, as a percentage of net sales, increased to 1.0% in the first three quarters of 1996 from 0.9% in the first three quarters of 1995. Net income, including the $5.4 million (net of tax) non-cash compensation charge, increased 37.8% to $77.6 million in the first three quarters of 1996 from $56.3 million in the first three quarters of 1995, but remained constant as a percentage of net sales at 0.9%.

1995 Compared to 1994

Consolidated net sales increased 47.8% to $8.6 billion in 1995 from $5.8 billion in 1994. The increase in worldwide net sales was attributable to growth in the microcomputer products industry in general, the addition of new customers, increased sales to the existing customer base, and expansion of the Company's product offerings, as well as to the release of significant new products, including the Microsoft Windows 95 operating system in August 1995.

Net sales from U.S. operations increased 44.8% to $6.0 billion in 1995 from $4.1 billion in 1994. The increase in U.S. net sales was largely attributable to the growth of Ingram Alliance in 1995, its first full year of operations, as well as an increase in the Company's customer base and product lines. Net sales from European operations increased 71.5% to $1.8 billion in 1995 from $1.1 billion in 1994. In addition to factors affecting sales worldwide, European net sales were positively impacted by the full year contribution in 1995 of the Company's Scandinavian operations, which were acquired in September 1994. Other international net sales increased 26.7% to $798.0 million in 1995 from $629.6 million in 1994. The increase in net sales from other international operations was entirely attributable to an increase in Canadian sales, partially offset by a decrease in Mexican net sales resulting from the distressed Mexican economy and the related peso devaluation. In 1995, net sales from U.S. operations accounted for 69.3% of consolidated net sales, net sales from European operations accounted for 21.4% of consolidated net sales, and other international net sales accounted for 9.3% of consolidated net sales. In 1994, net sales from U.S. operations accounted for 70.7% of consolidated net sales, net sales from European operations accounted for 18.5% of consolidated net sales, and other international net sales accounted for 10.8% of consolidated net sales.

Cost of sales as a percentage of net sales increased to 93.0% in 1995 from 92.5% in 1994. This increase was largely attributable to competitive pricing pressures worldwide and the growth of Ingram Alliance, which is characterized by lower gross margins than the Company's traditional wholesale distribution business. Gross margin was favorably impacted by effective operational controls and an increase in worldwide purchase discounts and rebates from the Company's suppliers.

Total SG&A expenses and charges allocated from Ingram Industries increased 40.2% to $418.8 million in 1995 from $298.7 million in 1994, but decreased as a percentage of net sales to 4.8% in 1995 from 5.1% in 1994. The increased level of spending was attributable to expenses required to support expansion of the Company's business, consisting primarily of incremental personnel and support costs, lease payments relating to new facilities, and expenses associated with the development and maintenance of information systems. The decreased level of spending as a percentage of net sales was primarily attributable to economies of scale resulting from higher sales volumes, increased operating efficiencies, and the growth of Ingram Alliance, which is characterized by lower SG&A expenses as a percentage of net sales than the Company's traditional wholesale distribution business.

For the reasons set forth above, income from operations increased 33.2% to $186.9 million in 1995 from $140.3 million in 1994, but decreased as a percentage of net sales to 2.2% in 1995 from 2.4% in 1994. Income from U.S. operations decreased as a percentage of net sales to 2.6% in 1995 from 3.0% in 1994. This decrease was partially offset by an increase in income from European operations as a percentage of net sales to 1.1% in 1995 from 0.7% in 1994.

Other expense, net increased 32.0% to $52.3 million in 1995 from $39.6 million in 1994, but decreased as a percentage of net sales to 0.6% in 1995 from 0.7% in 1994. The increase in other expense was largely attributable to a higher level of borrowings to finance the Company's worldwide business expansion. The Company was also negatively impacted by the continued effect of the distressed Mexican economy and the related peso devaluation. Primarily due to events in Mexico, the Company sustained a net foreign currency exchange loss of $7.8 million in 1995 as compared to a $6.9 million loss in 1994.

The provision for income taxes increased 34.2% to $53.1 million in 1995 from $39.6 million in 1994, reflecting the 33.7% increase in the Company's income before income taxes and minority interest. The Company's effective tax rate was 39.5% in 1995 as compared to 39.3% in 1994.

Net income increased 33.1% to $84.3 million in 1995 from $63.3 million in 1994, but decreased as a percentage of net sales to 1.0% in 1995 from 1.1% in 1994.

1994 Compared to 1993

Consolidated net sales increased 44.2% to $5.8 billion in 1994 from $4.0 billion in 1993. The increase in worldwide net sales was attributable to growth in the microcomputer products industry in general, the acquisition of four international distributors, the addition of new customers, increased sales to the existing customer base, and expansion of the Company's product offerings.

Net sales from U.S. operations increased 32.2% to $4.1 billion in 1994 from $3.1 billion in 1993. The increase in U.S. net sales was primarily attributable to the same factors favorably impacting worldwide consolidated net sales. Net sales from European operations increased 122.3% to $1.1 billion in 1994 from $485.1 million in 1993. The increase in European net sales was due to improved operating performance by several of the European subsidiaries (including the addition of some of the Company's suppliers to the German operation), as well as the Company's entry through acquisitions into the Spanish market in April 1994 and the Scandinavian market in September 1994. Net sales from other international operations increased 42.9% to $629.6 million in 1994 from $440.7 million in 1993. The increase in net sales from other international operations was largely attributable to the continued development of the Company's operations in Canada and Mexico. In 1994, net sales from U.S. operations accounted for 70.7% of consolidated net sales, net sales from European operations accounted for 18.5% of consolidated net sales, and net sales from other international operations accounted for 10.8% of consolidated net sales. In 1993, net sales from U.S. operations accounted for 77.1% of consolidated net sales, net sales from European operations accounted for 12.0% of consolidated net sales, and other international net sales accounted for 10.9% of consolidated net sales.

Cost of sales as a percentage of net sales increased to 92.5% in 1994 from 91.9% in 1993. This increase was primarily attributable to competitive pricing pressures worldwide.

Total SG&A expenses and charges allocated from Ingram Industries increased 31.8% to $298.7 million in 1994 from $226.6 million in 1993 but decreased as a percentage of net sales to 5.1% in 1994 from 5.6% in 1993. The increased level of spending was attributable to expenses required to support expansion of the Company's business, consisting primarily of incremental personnel and support costs, lease payments relating to new facilities, and expenses associated with the development and maintenance of information systems. The decreased level of spending as a percentage of net sales was primarily attributable to economies of scale resulting from higher sales volumes, as well as increased operating efficiencies.

For the reasons set forth above, income from operations increased 36.2% to $140.3 million in 1994 from $103.0 million in 1993, but decreased as a percentage of net sales to 2.4% in 1994 from 2.5% in 1993. Contributing to the increase in income from operations was income from the European operations of $8.1 million, compared to a $3.2 million loss from such operations in 1993.

Other expense, net increased 96.2% to $39.6 million in 1994 from $20.2 million in 1993, and increased as a percentage of net sales to 0.7% in 1994 from 0.5% in 1993. The increase in other expense was largely attributable to a higher level of borrowings to finance the Company's worldwide business expansion, including acquisitions, and foreign currency exchange losses of $6.9 million primarily related to Mexico in 1994.

The provision for income taxes increased 25.1% to $39.6 million in 1994 from $31.7 million in 1993, reflecting the 21.5% increase in the Company's income before income taxes and minority interest. The Company's effective tax rate was 39.3% in 1994 as compared to 38.2% in 1993.

Net income increased 25.8% to $63.3 million in 1994 from $50.4 million in 1993, but decreased as a percentage of net sales to 1.1% in 1994 from 1.2% in 1993.

Quarterly Data; Seasonality

The Company's quarterly net sales and operating results have varied significantly in the past and will likely continue to do so in the future as a result of seasonal variations in the demand for the products and services offered by the Company, the introduction of new hardware and software technologies and products offering improved features and functionality, the introduction of new products and services by the Company and its competitors, the loss or consolidation of a significant supplier or customer, changes in the level of operating expenses, inventory adjustments, product supply constraints, competitive conditions including pricing, interest rate fluctuations, the impact of acquisitions, currency fluctuations, and general economic conditions. The Company's narrow operating margins may magnify any such fluctuations. Specific historical seasonal variations in the Company's operating results have included a reduction of demand in Europe during the summer months, increased Canadian government purchasing in the first quarter, and pre-holiday stocking in the retail channel during the September to November period. In addition, as was the case with the introduction of Microsoft Windows 95 in August 1995, the product cycle of major products may materially impact the Company's business, financial condition, or results of operations.

The following table sets forth certain unaudited quarterly historical consolidated financial data for each of the eleven quarters up to the period ended September 28, 1996. This unaudited quarterly information has been prepared on the same basis as the annual information presented elsewhere herein and, in the Company's opinion, includes all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the selected quarterly information. This information should be read in

conjunction with the consolidated financial statements and notes thereto included elsewhere in this Prospectus. The operating results for any quarter shown are not necessarily indicative of results for any future period.

	Net Sales	Gross Profit	Income From Operations	Income Before Income Taxes and Minority Interest	Net Income	Earnings Per Share
	(in millions, except per share data)					
Fiscal Year Ended December 31, 1994						
Thirteen Weeks Ended:						
April 2, 1994.....	$1,266.6	$92.4	$26.1	$19.4	$11.6	$0.10
July 2, 1994.....	1,298.9	96.8	28.3	19.5	12.1	0.10
October 1, 1994...	1,387.0	105.1	32.9	24.3	14.6	0.12
December 31, 1994.	1,877.7	144.7	53.0	37.5	25.0	0.21
Fiscal Year Ended December 30, 1995						
Thirteen Weeks Ended:						
April 1, 1995.....	$1,879.5	$132.4	$38.5	$24.3	$17.1	$0.14
July 1, 1995.....	1,859.6	138.9	40.2	30.0	18.4	0.15
September 30, 1995	2,331.6	151.2	45.2	33.8	20.8	0.17
December 30, 1995.	2,546.2	183.2	63.0	46.5	28.0	0.23
Fiscal Year Ended December 30, 1995						
Thirteen Weeks Ended:						
March 30, 1996....	$2,752.7	$186.6	$54.9(1)	$39.6(1)	$23.8(1)	$0.20(1)
June 29, 1996.....	2,790.4	190.5	59.5(2)	44.9(2)	26.8(2)	0.22(2)
September 28, 1996	2,931.5	197.5	61.4(3)	48.9(3)	26.9(3)	0.22(3)

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(1) Reflects a non-cash compensation charge of $6.7 million ($4.1 million, or $0.03 per share, net of tax) in connection with the granting of the Rollover Stock Options.

(2) Reflects a non-cash compensation charge of $1.1 million ($0.7 million, or less than $0.01 per share, net of tax) in connection with the granting of the Rollover Stock Options.

(3) Reflects a non-cash compensation charge of $1.1 million ($0.6 million, or less than $0.01 per share, net of tax) in connection with the granting of the Rollover Stock Options.

As indicated in the table above, the increases in the Company's net sales in the fourth quarter of each fiscal year have generally been higher than those in the other three quarters in the same fiscal year. The trend of higher fourth quarter net sales is attributable to calendar year-end business purchases and holiday period purchases made by customers. Additionally, gross profit in the fourth quarter of each year has historically been favorably impacted by attractive year-end product buying opportunities which have often resulted in higher purchase discounts. Net sales in the third quarter of 1995 were positively impacted by the release of Microsoft Windows 95. However, gross and operating margins were lower in the third quarter of 1995 due to the significant volume of Microsoft Windows 95 sales, which had lower than average gross margins.

Liquidity and Capital Resources

The Company has financed its growth and cash needs largely through income from operations and borrowings (primarily from Ingram Industries), as well as from trade and supplier credit.

Cash provided by operating activities increased to $273.3 million in the first three quarters of 1996 from $32.5 million in the first three quarters of 1995. The significant increase in cash provided by operating activities was partially due to higher net income and the difference between accounts receivable, inventory levels, and accounts payable in the first three quarters of 1996 as compared to the first three quarters of 1995 due to the launch of Microsoft Windows 95 in the third quarter of 1995. Net cash used by investing activities was $64.5 million and $36.1 million in the first three quarters of 1996 and 1995, respectively. This increase was due to the Company's expansion of warehouse and other facilities. Net cash used for financing activities increased to $221.6 million from $17.1 million in the first three quarters of 1996 and 1995, respectively, as a result of higher repayments on borrowings from Ingram Industries and the $20.0 million distribution to Ingram Industries, both in the first three quarters of 1996.

Net cash used by operating activities was $251.3 million, $87.1 million, and $41.7 million in 1995, 1994, and 1993, respectively. The significant increase in cash used by operating activities in 1995 over 1994 was due to the increased levels of inventory which accounted for a use of $580.1 million in 1995 as compared to $345.5 million in 1994 and an increase in accounts receivable which accounted for a use of $320.2 million in 1995 as compared to $232.3 million in 1994. Cash provided by accounts payable of $543.8 million in 1995 and $411.0 million in 1994 partially offset the use related to inventory and accounts receivable. The increase in the difference between inventory levels and accounts payable in 1995 as compared to 1994 was primarily due to the launch of Microsoft Windows 95.

Net cash used by investing activities of $48.8 million, $42.6 million, and $40.7 million in 1995, 1994, and 1993, respectively, was due to the Company's expansion of warehouse and other facilities in each year and the acquisitions of operations in four European countries in 1994 and the acquisition of operations in three countries in Europe and in Mexico in 1993.

Net cash provided by financing activities was $298.3 million, $143.3 million, and $101.4 million in 1995, 1994, and 1993, respectively. The increase in each period was primarily provided by an increase in borrowings from Ingram Industries.

The Company's sources of capital have primarily been borrowings from Ingram Industries. As of September 28, 1996, the Company had total debt outstanding of $625.0 million, including $479.7 million due to Ingram Industries. The Company has entered into the $1 billion Credit Facility with NationsBank of Texas N.A. and The Bank of Nova Scotia, acting as Agents for a syndicate of lenders. The Credit Facility, which became effective immediately prior to the closing of the IPO, contains standard provisions for agreements of its type. Under the Credit Facility, the Company can borrow up to $750 million in foreign currencies through negotiated arrangements with individual lenders in the syndicate. The Company can use up to $250 million of the Credit Facility for letters of credit. The Company will be required to comply with certain financial covenants, including minimum net worth, restrictions on funded debt, current ratio and interest coverage, which will be tested as of the end of each fiscal quarter. The Credit Facility also restricts the Company's ability to pay dividends. Borrowings will be subject to the satisfaction of customary conditions, including the absence of any material adverse change in the Company's business or financial condition. Concurrently with the Split-Off, the Company assumed Ingram Industries' accounts receivable securitization program in partial satisfaction of amounts due to Ingram Industries. The Company used borrowings under the Credit Facility to repay (i) the remaining intercompany indebtedness and (ii) outstanding revolving indebtedness related to amounts drawn by certain of the Company's subsidiaries, as participants in Ingram Industries' then existing unsecured credit facility, which terminated concurrently with the closing of the IPO.

The net proceeds from the IPO were used to repay a portion of the borrowings under the Credit Facility. After giving effect to the foregoing transactions, including the application of the net proceeds from the IPO, borrowings under the Credit Facility would have been approximately $17.9 million on a pro forma basis at September 28, 1996. After giving effect to the foregoing transactions and the application of the net proceeds from the IPO, the Company would have had available approximately $982.1 million under the Credit Facility. The aggregate amount of long-term debt outstanding after the Split-Off, and before application of the proceeds from the IPO, was substantially similar to the long-term debt and debt due to Ingram Industries immediately prior to the Split-Off, except as adjusted for the accounts receivable securitization program assumed by the Company and the incurrence of an additional $22.6 million of indebtedness including capital lease obligations in connection with the acquisition of lease agreements related to certain facilities currently utilized by the Company. See "Certain Transactions."

Effective February 1993, the Company entered into an agreement with Ingram Industries whereby the Company sold all of its domestic trade accounts receivable to Ingram Industries on an ongoing basis. Ingram Industries transferred certain trade accounts receivable from the Company and other Ingram Industries affiliates to a trust which sold certificates representing undivided interests in the total pool of trade receivables without recourse. As of September 28, 1996, Ingram Industries had sold $160 million of fixed rate certificates and a variable rate certificate, under which $13.0 million was outstanding. Ingram Industries' arrangement with the trust extended to December 31, 1997, renewable biannually under an evergreen provision up to a maximum term of 20 years. In connection with the Split-Off, in partial satisfaction of amounts due to Ingram Industries, the Ingram Industries accounts receivable securitization program was assumed by the Company, which will be the sole seller of receivables. Under the amended program, certain of the Company's domestic receivables will no longer be transferred to the trust. The Company believes the amended program will contain sufficient trade accounts receivable to support the outstanding fixed rate certificates and an unspecified amount of the variable rate certificates. Assumption of the securitization program results in a $160 million reduction of trade accounts receivable and due to Ingram Industries. See Note 4 of Notes to Consolidated Financial Statements.

The Company and its foreign subsidiaries have uncommitted lines of credit and short-term overdraft facilities in various currencies which aggregated $114.1 million as of September 28, 1996. These facilities are used principally for working capital and bear interest at market rates. See Note 6 of Notes to Consolidated Financial Statements.

The Company believes that the net proceeds from the sale of the Common Stock offered in the IPO, together with net cash provided by operating activities, supplemented as necessary with funds available under credit arrangements (including the Credit Facility), will provide sufficient resources to meet its present and future working capital requirements and other cash needs for at least the next 12 months, or earlier if the Company were to engage in any corporate transactions not currently anticipated, in which event the Company anticipates that additional debt or equity financing would be required.

The Company presently expects to spend approximately $90 million in each of 1996 and 1997 for capital expenditures due to the continued expansion of its business.

Asset Management

The Company maintains sufficient quantities of product inventories to achieve high order fill rates. The Company believes that the risks associated with slow moving and obsolete inventory are substantially mitigated by protection and stock return privileges provided by suppliers. In the event of a supplier price reduction, the Company generally receives a credit for products in its inventory. In addition, the Company has the right to return a certain percentage of purchases, subject to certain limitations. Historically, price protection, stock return privileges, and inventory management procedures have helped to reduce the risk of decline in the value of inventory. The Company's risk of decline in the value of inventory could be greater outside the United States, where agreements with suppliers are more restrictive with regard to price protection and the Company's ability to return unsold inventory. The Company establishes reserves for estimated losses due to obsolete inventory in the normal course of business. Historically, the Company has not experienced losses due to obsolete inventory materially in excess of established inventory reserves. Inventory levels may vary from period to period, due in part to the addition of new suppliers or new lines with current suppliers and large cash purchases of inventory due to advantageous terms offered by suppliers. See "Risk Factors--Risk of Inventory Losses."

The Company offers various credit terms to qualifying customers as well as prepay, credit card, and COD terms. The Company closely monitors customers' creditworthiness through its on-line computer system which contains detailed information on each customer's payment history and other relevant information. In addition, the Company participates in a national credit association which exchanges credit rating information on customers of association members. In most markets, the Company utilizes various levels of credit insurance to allow sales expansion and control credit risks. The Company establishes reserves for estimated credit losses in the normal course of business. Historically, the Company has not experienced credit losses materially in excess of established credit loss reserves.

Changes in Accounting Standards

The Company will adopt Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of" ("FAS 121") in 1996. The Company does not expect the adoption of FAS 121 to have a material effect on its financial condition or results of operations.

The Company will adopt Statement of Financial Accounting Standards No. 123, "Accounting for Stock Based Compensation" ("FAS 123") in 1996. As permitted by FAS 123, the Company will continue to measure compensation cost in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." Therefore, the adoption of FAS 123 will have no impact on the Company's financial condition or results of operations.

BUSINESS

Overview

Ingram Micro is the leading wholesale distributor of microcomputer products worldwide. The Company markets microcomputer hardware, networking equipment, and software products to more than 100,000 reseller customers in approximately 120 countries in three principal market sectors: the VAR sector, consisting of value-added resellers, systems integrators, network integrators, application VARs, and original equipment manufacturers; the Commercial sector, consisting of corporate resellers, direct marketers, independent dealers, and owner-operated chains; and the Consumer sector, consisting of consumer electronics stores, computer superstores, mass merchants, office product superstores, software-only stores, and warehouse clubs. As a wholesale distributor, the Company markets its products to each of these types of resellers as opposed to marketing directly to end-user customers.

The Company conducts business with most of the leading resellers of microcomputer products around the world, including, in the United States, AmeriData, CDW Computer Centers, CompuCom, CompUSA, Computer City, Electronic Data Systems, En Pointe Technologies, Entex Information Services, Micro Warehouse, Sam's Club, Staples, and Vanstar. The Company's international reseller customers include Complet Data A/S, Consultores en Diagnostico Organizacional y de Sistemas, DSG Retail Ltd., 06 Software Centre Europe, B.V., GE Capital Technologies, Jump Ordenadores, Maxima S.A., Norsk Datasenter, Owell Svenska AB, SNI Siemens Nixdorf Infosys AG, and TC Sistema S.p.A.

Ingram Micro offers one-stop shopping to its reseller customers by providing a comprehensive inventory of more than 36,000 products from over 1,100 suppliers, including most of the microcomputer industry's leading hardware manufacturers, networking equipment suppliers, and software publishers. The Company's broad product offerings include: desktop and notebook PCs, servers, and workstations; mass storage devices; CD-ROM drives; monitors; printers; scanners; modems; networking hubs, routers, and switches; network interface cards; business application software; entertainment software; and computer supplies. The Company's suppliers include Apple Computer, Cisco Systems, Compaq Computer, Creative Labs, Hewlett-Packard, IBM, Intel, Microsoft, NEC, Novell, Quantum, Seagate, 3Com, Toshiba, and U.S. Robotics.

Ingram Micro distributes microcomputer products through warehouses in eight strategic locations in the continental United States and 22 international warehouses located in Canada, Mexico, most countries of the

European Union, Norway, Malaysia and Singapore. The Company believes that it is the market share leader in the United States, Canada, and Mexico, and the second largest full-line distributor in Europe, based on publicly available data and management's knowledge of the industry. In 1995, approximately 31% of the Company's net sales were derived from operations outside the United States. The Export Division fulfills orders from U.S. exporters and from foreign customers in countries where the Company does not operate a distribution subsidiary, including much of Latin America, the Middle East, Africa, Australia, and parts of Europe and Asia. The Company participates in the master reseller business in the United States through Ingram Alliance.

The Company's principal objective is to enhance its position as the preeminent wholesale distributor of microcomputer products worldwide. The Company's belief that it is the preeminent wholesale distributor of microcomputer products is based on publicly available data and management's knowledge of the industry. The Company is focused on providing a broad range of products and services, quick and efficient order fulfillment, and consistent on-time and accurate delivery to its reseller customers around the world. The Company believes that IMpulse provides a competitive advantage through real-time worldwide information access and processing capabilities. This on-line information system, coupled with the Company's exacting operating procedures in telesales, credit support, customer service, purchasing, technical support, and warehouse operations, enables the Company to provide its reseller customers with superior service in an efficient and low cost manner. In addition, to enhance sales and to support its suppliers and reseller customers, the Company provides a wide range of value-added services, such as technical training, order fulfillment, tailored financing programs, systems configuration, and marketing programs.

The Company has grown rapidly over the past five years, with net sales and net income increasing to $8.6 billion and $84.3 million, respectively, in 1995 from $2.0 billion and $30.2 million, respectively, in 1991, representing compound annual growth rates of 43.8% and 29.3%, respectively. For the thirty-nine weeks ended September 28, 1996, the Company's net sales and net income increased 39.6% and 37.8%, respectively, as compared to the net sales and net income levels achieved in the thirty-nine weeks ended September 30, 1995. The Company's growth during these periods reflects substantial expansion in its existing domestic and international operations, resulting from the addition of new customers, increased sales to the existing customer base, the addition of new product categories and suppliers, the establishment of Ingram Alliance, and the successful integration of ten acquisitions worldwide. Because of intense price competition in the microcomputer products wholesale distribution industry, the Company's margins have historically been narrow and are expected in the future to continue to be narrow. In addition, the Company is highly leveraged and has relied heavily on debt financing for its increasing working capital needs in connection with the expansion of its business. See "Risk Factors--Narrow Margins" and "--Capital Intensive Nature of Business; High Degree of Leverage."

The Industry

The worldwide microcomputer products distribution industry generally consists of suppliers, which sell directly to wholesalers, resellers, and end-users; wholesale distributors, which sell to resellers; and resellers, which sell to other resellers and directly to end-users. A variety of reseller categories exists, including corporate resellers, VARs, systems integrators, original equipment manufacturers, direct marketers, independent dealers, owner-operated chains, franchise chains, and computer retailers. Different types of resellers are defined and distinguished by the end-user market they serve, such as large corporate accounts, small and medium-sized businesses, or home users, and by the level of value they add to the basic products they sell. Wholesale distributors generally sell only to resellers and purchase a wide range of products in bulk directly from manufacturers. Different wholesale distribution models have evolved in particular countries and geographies depending on the characteristics of the local reseller environment, as well as other factors specific to a particular country or region. The United States, for example, is distinguished by the presence of master resellers, or aggregators, which are functionally similar to wholesale distributors, but which focus on selling relatively few product lines--typically high volume, brand name hardware systems--to a network of franchised dealers and affiliates.

The growth of the microcomputer products wholesale distribution industry continues to exceed that of the microcomputer industry as a whole. Faced with the pressures of declining product prices and the increasing costs of selling direct to a large and diverse group of resellers, suppliers are increasingly relying upon wholesale distribution channels for a greater proportion of their sales. To minimize costs and focus on their core capabilities in manufacturing, product development, and marketing, many suppliers are also outsourcing an increasing portion of certain functions such as distribution, service, technical support, and final assembly to the wholesale distribution channel. Growing product complexity, shorter product life cycles, and an increasing number of microcomputer products due to the emergence of open systems architectures and the recognition of certain industry standards have led resellers to depend on wholesale distributors for more of their product, marketing, and technical support needs. In addition, resellers are relying to an increasing extent on wholesale distributors for inventory management and credit to avoid stocking large inventories and maintaining credit lines to finance their working capital needs. The Company believes that new opportunities for growth in the microcomputer products wholesale distribution industry will emerge as new product categories, such as computer telephone integration ("CTI") and the digital video disc format, arise from the ongoing convergence of computing, communications, and consumer electronics.

International markets, which represent over half of the

microcomputer industry's sales, are characterized by a more fragmented wholesale distribution channel than in the United States. Increasingly, suppliers and resellers pursuing global growth are seeking wholesale distributors with international sales and support capabilities. In addition, the microcomputer products industry in international markets is less mature and growing more rapidly than in the United States, and as such, international growth opportunities for microcomputer wholesaler distributors are significant.

The evolution of open sourcing during the past several years is a phenomenon specific to the U.S. microcomputer products wholesale distribution market. Historically, branded computer systems from large suppliers such as Apple Computer, Compaq Computer, Hewlett-Packard, and IBM were sold in the United States only through authorized master resellers. Under this single sourcing model, resellers were required to purchase these products exclusively from one master reseller. Over the past few years, competitive pressures have led some of the major computer suppliers to authorize second sourcing, in which resellers may purchase a supplier's product from a source other than their primary master reseller, subject to certain restrictive terms and conditions (such as higher prices or the elimination of floor planning subsidies). More recently, certain computer manufacturers have authorized open sourcing, a model under which resellers can purchase the supplier's product from any source on equal terms and conditions. The trend toward open sourcing has blurred the distinction between wholesale distributors and master resellers, which are increasingly able to serve the same reseller customers, whereas previously master resellers had a captive reseller customer base. The Company believes that continued movement towards second sourcing and open sourcing puts the largest and most efficient distributors of microcomputer products, which provide the highest value through superior service and pricing, in the best position to compete for reseller customers.

The dynamics of the microcomputer products wholesale distribution business favor the largest distributors which have access to financing and are able to achieve economies of scale, breadth of geographic coverage, and the strongest vendor relationships. Consequently, the distributors with these characteristics are tending to take share from smaller distributors as the industry undergoes a process of consolidation. The need for wholesale distributors to implement high volume/low cost operations on a worldwide basis is continuing to grow due to ongoing price competition, the increasing demand for value-added services, the trend toward open sourcing, and the increasing globalization of the microcomputer products industry. In summary, the microcomputer wholesale distribution industry is growing rapidly while simultaneously consolidating, creating an industry environment in which market share leadership and cost efficiency are of paramount importance.

Business Strategy

The Company is the preeminent worldwide wholesale distributor of microcomputer products and services and believes that it has developed the capabilities and scale of operations critical for long-term success in the microcomputer products distribution industry.

The Company's strategy of offering a full line of products and services provides reseller customers with one-stop shopping. The Company generally is able to purchase products in large quantities and to avail itself of special purchase opportunities from a broad range of suppliers. This allows the Company to take advantage of various discounts from its suppliers, which in turn enables the Company to provide competitive pricing to its reseller customers. The Company's international market presence provides suppliers with access to a broad base of geographically dispersed resellers, serviced by the Company's extensive network of distribution centers and support offices. The Company's size has permitted it to attract highly qualified associates and increase investment in personnel development and training. Also, the Company benefits from being able to make large investments in information systems, warehousing systems, and infrastructure. Further, the Company is able to spread the costs of these investments across its worldwide operations.

The Company is pursuing a number of strategies to further enhance its leadership position within the microcomputer marketplace. These include:

Expand Worldwide Market Coverage. Ingram Micro is committed to extending its already extensive worldwide market coverage through internal growth in all domestic and international markets in which it currently participates. In addition, the Company intends to pursue acquisitions, joint ventures, and strategic relationships outside the United States in order to take advantage of growth opportunities and to leverage its strong systems, infrastructure, and international management skills.

The Company believes that its skills in warehouse operations, purchasing, sales, credit management, marketing, and technical support enable it to expand effectively and quickly into new markets. The Company integrates acquired operations by incorporating its management philosophies and exacting operating procedures, implementing its IMpulse information system, applying its functional expertise, and training personnel on the Ingram Micro business model. Based upon these capabilities, the Company believes it is in the best position to serve global resellers, which are increasingly seeking a single source for microcomputer products and services.

By providing greater worldwide market coverage, Ingram Micro also increases the scale of its business, which results in more cost economies. In addition, as it increases its global reach, the Company diversifies its business across different markets, reducing its exposure to individual market downturns. The Company has grown its international operations principally through acquisitions and currently has fully integrated

operations in 18 countries outside the United States: Canada, Mexico, most countries of the European Union, Norway, Malaysia, Singapore, Japan, Argentina and Ecuador. The Company believes that it is the market share leader in the United States, Canada, and Mexico, and the second largest full-line distributor in Europe, based on publicly available data and management's knowledge of the industry. The Company's objective is to achieve the number one market share in each of the markets in which it operates.

Ingram Micro will continue to focus on expansion of its operations through acquisitions, joint ventures, and strategic relationships in order to take advantage of significant growth opportunities around the world, both in established and developing markets.

Exploit Information Systems Leadership. Ingram Micro continually invests in its information systems which are crucial in supporting the Company's growth and its ability to maintain high service and performance levels. The Company has developed a scalable, full-featured information system, IMpulse, which the Company believes is critical to its ability to deliver worldwide, real-time information to both suppliers and reseller customers. IMpulse is a single, standardized information system, used across all markets worldwide, that has been customized to suit local market requirements. The Company believes that it is the only full-line wholesale distributor of microcomputer products in the world with such a centralized global system.

IMpulse allows the Company's telesales representatives to deliver real-time information on product pricing, inventory, availability, and order status to reseller customers. Telesales representatives utilize the Company's Sales Adjusted Gross Profit ("SAGP") pricing system to make informed pricing decisions for each order through access to specific product and order related costs. Considering the industry's narrow margins, the Company's ability to make thousands of informed pricing decisions daily represents a competitive advantage. In addition, the Company has a number of supporting systems, including its Decision Support System ("DSS"), a multidimensional sales and profitability analysis application. The Company continuously seeks to make system modifications to provide greater capability and flexibility to the Company's individual business units and markets.

The Company intends to continue to develop and expand the use of its Customer Information Systems ("CIS"), which packages the full range of Ingram Micro's electronic services into a single solution. CIS is designed to improve the information flow from supplier to distributor to reseller to end-user in order to conduct business in a cost-effective manner. It addresses the dynamic requirements of various customer markets by offering a core group of services through a number of different electronic media. By using CIS, resellers can place orders directly, without the assistance of a telesales representative. The Company plans further expansion in electronic links with reseller customers and suppliers to provide better access to the Company's extensive database for pricing, product availability, and technical information.

The Company will continue to invest in the enhancement and expansion of its systems to create additional applications and functionality.

Provide Superior Execution for Reseller Customers. Ingram Micro continually refines its systems and processes to provide superior execution and service to reseller customers. The Company believes that the level of service achieved with its systems and processes is a competitive advantage and has been a principal contributor to its success to date.

Providing superior execution involves, among other factors, rapid response to customer calls, quick access to relevant product information, high order fill rates, and on-time, accurate shipments. The Company's information systems enable telesales representatives to provide reseller customers with real-time inventory and pricing information. Ingram Micro strives to maintain high order fill rates by keeping extensive supplies of product in its 30 distribution centers worldwide. In the United States and Canada, the Company has implemented control systems and processes referred to as Bulletproof Shipping, which include stock-keeping unit ("SKU") bar coding for all products and on-line quality assurance methods. As a result of this program, substantially all orders in the United States received by 5:00 p.m. are shipped on the same day, with highly accurate shipping performance.

Ingram Micro will continue to invest in the development of systems and processes to improve execution. In the United States, the Company is currently implementing CTI technology, which will provide automatic caller identification, onscreen call waiting, and abandoned call management capabilities to telesales and customer service associates. Also in the United States, the recently installed POWER system will improve response time to reseller customers' product returns and other customer service requests. To support future customer requirements, the Company continues to expand and upgrade its distribution network. For example, a new warehouse is under construction in Millington, Tennessee. In Canada, a new returns center will be added near Toronto, Ontario. The Company is implementing formal systems for evaluating and tracking key performance metrics such as responsiveness to customers, process accuracy, order processing cycle time, and order fulfillment efficiency. Ingram Micro will use this customer satisfaction monitoring system to identify potential areas of improvement as part of the Company's focus on providing superior service.

Deliver World-Class Value-Added Services to Suppliers and Resellers. Ingram Micro is committed to providing a diverse range of value-added wholesaling and "for fee" services to its supplier and reseller customers. Together, these services are intended to link reseller customers and suppliers to Ingram Micro as a one-stop provider of microcomputer products and related services, while meeting demand by suppliers and resellers to outsource non-core business activities and thereby lower their operating

costs.

The Company's value-added wholesaling services include final assembly and configuration of products, technical education programs, pre- and post-sale technical support, order fulfillment, and product demo evaluation.

In addition to these value-added wholesaling services, the Company offers a variety of "for fee" services for its reseller customers and suppliers. These services include: contract configuration, contract fulfillment, contract warehousing, contract telesales, contract credit/accounts receivable management, contract inventory management, and contract technical support for customers. The Company is focused on identifying and developing services that directly meet reseller customer and supplier needs.

Maintain Low Cost Leadership Through Continuous Improvements in Systems and Processes. The microcomputer products industry is characterized by intense competition and narrow margins, and as a result, achieving economies of scale and controlling operating expenses are critical to achieving and maintaining profitable growth.

Over the last five years, the Company has been successful in reducing SG&A expenses (including expenses allocated from Ingram Industries) as a percentage of net sales, from 5.8% in 1991 to 4.8% in 1995. The Company has embarked on a number of programs that are designed to continue to reduce operating expenses as a percentage of net sales.

Many U.S. developed programs continue to be adapted for implementation in the Company's international operations. These programs include: (i) the use of advanced inventory processes and techniques to reduce the number of shipments from multiple warehouses to fulfill a single order; (ii) the use of proprietary warehouse productivity programs, such as Bulletproof Shipping and Pick Assignment; (iii) the enhancement of associates' productivity through the use of technology such as CTI, and the expanded use of multimedia workstations for functions such as Telesales and Customer Service; and (iv) the electronic automation of the ordering and information delivery process through CIS to decrease the number of non-order telesales calls. See "--Information Systems."

The Company believes that the continued development of the IMpulse system and related distribution processes represents an opportunity for the Company to leverage operating costs across additional areas of the Company's operations.

Develop Human Resources for Excellence and to Support Future Growth. Ingram Micro's growth to date is a result of the talent, dedication, and teamwork of its associates. Future growth and success will be substantially dependent upon the retention and development of existing associates, as well as the recruitment of superior talent.

The Company has invested in a number of programs and systems designed to assist in the development and retention of its associates. The Company recently formed its Leadership Institute to provide training on a global basis in areas such as personal leadership and basic business fundamentals. In addition, the Company provides specific functional training for associates through Company programs such as the Sales, Purchasing, and Marketing Academies. Transferring functional skills and implementing cross-training programs across all Ingram Micro locations have proven to be important factors in the Company's growth and international expansion. In conjunction with these programs, the Company intends to expand its human resource systems to provide enhanced career planning, training support, applicant tracking, and benefits administration. Also, the Company continues to seek top quality associates worldwide through local, professional, and college recruiting programs.

Customers

Ingram Micro sells to more than 100,000 reseller customers in approximately 120 countries worldwide. No single customer accounted for more than 3% of Ingram Micro's net sales in 1993, 1994, 1995, or the first three quarters of 1996.

The Company conducts business with most of the leading resellers of microcomputer products around the world, including, in the United States, AmeriData, CDW Computer Centers, CompuCom, CompUSA, Computer City, Electronic Data Systems, En Pointe Technologies, Entex Information Services, Micro Warehouse, Sam's Club, Staples, and Vanstar. The Company's international reseller customers include Complet Data A/S, Consultores en Diagnostico Organizacional y de Sistemas, DSG Retail Ltd., 06 Software Centre Europe, B.V., GE Capital Technologies, Jump Ordenadores, Maxima S.A., Norsk Datasenter, Owell Svenska AB, SNI Siemens Nixdorf Infosys AG, and TC Sistema S.p.A. The Company has certain limited contracts with its reseller customers, although most such contracts have a short term, or are terminable at will, and have no minimum purchase requirements. The Company's business is not substantially dependent on any such contracts.

Ingram Micro is firmly committed to maintaining a strong customer focus in all of the markets it serves. To best meet this key business objective, the Company is organized along the lines of the three market sectors it serves: VAR, Commercial, and Consumer. This organization permits the Company to identify and address the varying and often unique requirements of each customer group, as opposed to applying a uniform approach to distinctly different reseller channels. This organization model is most fully developed in the United States and Canada, and is described as follows:

bullet VAR sector. VARs develop computer solutions for their

customers by adding tangible value to a microcomputer product. These computer solutions range from tailored software development to systems integration that meet specific customer needs. Systems integrators, network integrators, application VARs, and original equipment manufacturers ("OEMs") are classified in this sector. In 1995, this sector contributed over 27% of Ingram Micro's U.S. net sales (inclusive of Ingram Alliance and the Export Division).

bullet Commercial sector. The Commercial sector includes chain/independent dealers, corporate resellers, and direct marketers that sell a variety of computer products. This sector continues to be Ingram Micro's largest channel and contributed over 53% of the Company's 1995 U.S. net sales.

bullet Consumer sector. The Consumer sector includes computer superstores, office product superstores, mass merchants, consumer electronics stores, and warehouse clubs. In 1995, over 17% of the Company's U.S. net sales came from this sector.

In addition to focusing on the VAR, Commercial, and Consumer market sectors, the Company also has specialized strategic business units ("SBUs") designed to provide additional focused marketing and support for specific product categories or within specific markets. These product-focused SBUs address the needs of resellers and suppliers for in-depth support of particular product categories. These SBUs include the Technical Products Division, the Macintosh and Apple Computer Division, the Enterprise Computing Division, and the Mass Storage Division. The Company's market-focused SBUs, which include the Consumer Markets Division, the Education Division, and the Government Division, are designed to meet the needs of resellers and VARs who have chosen to concentrate on a particular customer market.

Customer organization along the VAR, Commercial, and Consumer market sectors has been implemented to varying degrees throughout the Company's worldwide operations and may not be as well defined as in the United States and Canada. Specific market circumstances vary from country to country. In some markets, a few large resellers dominate; in others, the customer base is more diversified.

Sales and Marketing

Ingram Micro's telesales department is comprised of approximately 1,400 telesales representatives worldwide, of whom more than 800 representatives are located in the United States. These telesales representatives assist resellers with product specifications, system configuration, new product/service introductions, pricing, and availability. The two main United States telesales centers are located in Santa Ana, California and Buffalo, New York and are supported by an extensive national field sales organization. Currently, Ingram Micro has more than 130 field sales representatives worldwide, including more than 50 in the United States.

In addition to customer organization along the VAR, Commercial, and Consumer market sectors, the Company utilizes a variety of product-focused groups specializing in specific product types. Specialists in processors, mass storage, networks, and other product categories promote sales growth and facilitate customer contacts for their particular product group. Ingram Micro also offers a variety of marketing programs tailored to meet specific supplier and reseller customer needs. Services provided by the Company's in-house marketing services group include advertising, direct mail campaigns, market research, retail programs, sales promotions, training, and assistance with trade shows and other events.

In Canada, Ingram Micro has been organized along customer sector lines to render more specialized service to each customer sector. Additionally, a Montreal telesales center was opened in 1995 specifically to cover the French-speaking market. The Corporate Reseller Division has 13 dedicated field sales representatives to focus efforts on increasing penetration and protecting market share. The VAR accounts have received increasing coverage from field sales representatives, now one for each geographic region, along with dedicated telesales operations in Vancouver and Montreal. Retail customers served by the Consumer Markets Division benefit from usage of the electronic ordering systems and manufacturer/customer symposiums tailored specifically to the Consumer sector. The Company offers a myriad of marketing programs targeted at the respective customer markets and are similar to the United States programs that offer a graduated level of services based on monthly purchase volume.

In Europe, Ingram Micro relies more heavily on telesales to cover its customer base than in the United States and Canada. In addition, the Company maintains a relatively small field sales organization to serve larger customers in each country. Many of the country operations have Technical Products Divisions that employ dedicated technical sales representatives. The European operation is expanding the presence of other product-specific divisions such as the Mass Storage Division and the Macintosh Division. Ingram Micro employs many of the same marketing tools in Europe as in the United States and Canada, including product guides, catalogues, and showcases used to promote selected manufacturers' product lines.

In Mexico, the sales team is comprised of both field sales representatives and telesales representatives serving Mexico City, Merida, Guadalajara, Puebla, Monterrey, Leon, and Hermosillo. Complementing this sales group are marketing associates assigned to key supplier product lines. To best meet the individualized needs of its increasingly diverse customer group, the Company is in the process of realigning its sales and marketing workforce along VAR, Commercial, and Consumer sectors throughout the branch network. This is anticipated to be a strategic advantage as the trend toward greater customer focus on particular markets continues to evolve in Mexico.

Ingram Micro's Asia Pacific sales force is responsible for growing the Company's sales in Singapore, Malaysia, Indonesia, The Philippines, Thailand, India, and Hong Kong. Marketing support for this sales effort is based on product line, but will eventually be aligned along VAR, Commercial, and Consumer sectors. To provide greater focus on the Japanese market, the Company opened a sales office in Tokyo during the third quarter of 1995.

The Company's Export Division is supported by a team of sales representatives located in Miami, Florida and Santa Ana, California. The Miami office covers the Caribbean, Puerto Rico, Ecuador, Colombia, Venezuela, Peru, Chile, Argentina, Uruguay, and Brazil, while the Santa Ana Export representatives sell and market Ingram Micro products and services to Japan, the Middle East, and Australia. A satellite export sales office was opened in Tokyo during the third quarter of 1995 to provide greater focus on the Japanese market. The Belgian Export office, which is part of the Company's European operations, serves Africa and areas of Europe where Ingram Micro does not have an in-country sales and distribution operation. In addition, the Export Division has field sales representatives based in Buenos Aires, Argentina and Quito, Ecuador.

Products and Suppliers

Ingram Micro believes that it has the largest inventory of products in the industry, based on a review of publicly available data with respect to its major competitors. The Company distributes and markets more than 36,000 products from the industry's premier microcomputer hardware manufacturers, networking equipment suppliers, and software publishers worldwide. Product assortments vary by market, and the relative importance of manufacturers to Ingram Micro varies from country to country. On a worldwide basis, the Company's sales mix is more heavily weighted toward hardware products and networking equipment than software products. Net sales of software products have decreased as a percentage of total net sales in recent years due to a number of factors, including bundling of software with microcomputers; sales growth in Ingram Alliance, which is a hardware-only business; declines in software prices; and the emergence of alternative means of software distribution, such as site licenses and electronic distribution. The Company believes that this is a trend that applies to the microcomputer products distribution industry as a whole, and the Company expects it to continue. See "Risk Factors--Rapid Technological Change; Alternate Means of Software Distribution" and "Management's Discussion and Analysis of Financial Condition and Results of Operations--Overview."

In the United States, Ingram Micro's suppliers include almost all of the leading microcomputer hardware manufacturers, networking equipment manufacturers, and software publishers such as Apple Computer, Cisco Systems, Compaq Computer, Creative Labs, Hewlett-Packard, IBM, Intel, Microsoft, NEC, Novell, Quantum, Seagate, 3Com, Toshiba, and U.S. Robotics. Internationally, Ingram Micro has secured distribution agreements with most of the leading suppliers, and products are added to the Company's mix in response to local market demands.

New products are continually evaluated and added to the Company's product mix upon meeting Ingram Micro's business and technical standards. The Company evaluates on average 160 products monthly. Each Ingram Micro entity has its own procedure for assessing new products based on local market characteristics, but all follow general guidelines utilizing certain business and technical criteria including market size, demand, perceived value, industry positioning, support required, ease of set-up, packaging quality, and error handling procedures. The Company proactively pursues products representing the leading edge of technology.

The Company's suppliers 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 does not independently warrant the products it distributes.

The Company's business, like that of other wholesale distributors, is subject to the risk that the value of its inventory will be affected adversely by suppliers' price reductions or by technological changes affecting the usefulness or desirability of the products comprising the inventory. It is the policy of most suppliers of microcomputer products to protect distributors, such as the Company, who purchase directly from such suppliers, from the loss in value of inventory due to technological change or the supplier's price reductions. Although the Company has written distribution agreements with many of its suppliers, these agreements usually provide for nonexclusive distribution rights and often include territorial restrictions that limit the countries in which Ingram Micro is permitted to distribute the products. The agreements are also generally short term, subject to periodic renewal, and often contain provisions permitting termination by either party without cause upon relatively short notice. The Company does not believe that its business is substantially dependent on the terms of any such agreements. Under the terms of many distribution agreements, suppliers will credit the distributor for declines in inventory value resulting from the supplier's price reductions if the distributor complies with certain conditions. In addition, under many such agreements, the distributor has the right to return for credit or exchange for other products a portion of those inventory items purchased, within a designated period of time. A supplier who elects to terminate a distribution agreement generally will repurchase from the distributor the supplier's products carried in the distributor's inventory. While the industry practices discussed above are sometimes not embodied in written agreements and do not protect the Company in all cases from declines in inventory value, management believes that these practices provide a significant level of protection from such declines. No assurance can be given, however, that such practices will continue or that they will adequately protect the Company

against declines in inventory value. The Company's risk of inventory loss could be greater outside the United States, where agreements with suppliers are more restrictive with regard to price protection and the Company's ability to return unsold inventory. The Company establishes reserves for estimated losses due to obsolete inventory in the normal course of business. Historically, the Company has not experienced losses due to obsolete inventory materially in excess of established inventory reserves. See "Risk Factors--Product Supply; Dependence on Key Suppliers."

Value-added Services

The Company believes that there is a trend among wholesale distributors of microcomputer products to increase available services for suppliers and customers, and the Company is committed to being in the forefront of this trend. Ingram Micro offers a myriad of programs and services to its supplier and reseller customers as an integral part of its wholesaling efforts. The Company categorizes these services into value-added wholesale distribution and "for fee" services. Together, these services are intended to link reseller customers and suppliers to Ingram Micro as a one-stop provider of microcomputer products and related services, while meeting demand by suppliers and resellers to outsource non-core business activities and thereby lower their operating costs.

The Company's value-added wholesaling services are an important complement to its distribution activities and include final assembly and configuration of products, technical education programs, pre- and post-sale technical support, order fulfillment, and product demo evaluation.

Ingram Micro offers a selection of "for fee" services which reseller customers and suppliers may avail themselves of, independent of product purchase transactions. Many of the value-added wholesaling services are also included in this set of "for fee" services, which include: contract configuration, contract fulfillment, contract warehousing, contract telesales, contract inventory management, and contract technical support for reseller customers and end-users. Management remains focused on adding more value-added "for fee" services to meet reseller customer and supplier needs.

Ingram Micro's value-added services for its reseller customers and suppliers include:

- System Configuration. Final assembly and configuration of microcomputer products for suppliers and reseller customers.

- Order Fulfillment. Fulfillment of end-user orders on behalf of suppliers and reseller customers. This may include order-taking, configuration, shipping, and collection.

- Electronic Services. Various electronic ordering and information delivery media integrated under the Company's CIS program which enable suppliers and reseller customers to interface directly with the Company's database.

- Technical Support. Pre- and post-sale technical support for reseller customers.

- Tailored Marketing Services. A range of offerings including trade show and symposium development, promotional advertising, end-user briefings, and joint sales calls performed by Ingram Micro Sales and Marketing staff for the benefit of reseller customers and suppliers.

- Financial Services. Includes accounts receivable financing, a purchase order program, and credit insurance provided or arranged by Ingram Financial Services Company for reseller customers.

- Inventory Management. A variety of services conducted for reseller customers that includes contract warehousing, inventory tracking by serial number, and other services.

- Telesales. Telesales performed by the Company for suppliers and reseller customers.

- Warehousing. Leasing of warehouse space to suppliers and reseller customers.

- Technical Education. Various computer-based and self-study training programs, some leading to certification from suppliers.

- Warranty and Repair. Comprehensive warranty coverage on end-user systems. This service is sub-contracted by Ingram Micro to third-party repair businesses for reseller customers.

All of these services are currently available in the Company's U.S. operations. The degree of implementation of these value-added services in Ingram Micro's international operations varies depending on particular market circumstances. Although the Company believes that value-added services are important as a complement to its core business, such services do not, and are not in the future expected to, generate a material percentage of the Company's net sales. In addition, such value-added services do not, and are not in the future expected to, require a material portion of the Company's resources.

Ingram Alliance

Ingram Micro entered the master reseller (also known as "aggregation") business in late 1994 with the launch of Ingram Alliance. Ingram Alliance is designed to offer resellers access to the industry's leading hardware manufacturers at competitive prices by utilizing a lower cost

business model that depends upon a higher average order size, lower product returns percentage, and supplier-paid financing. See "Risk Factors--Narrow Margins" and "--Risks Associated with Ingram Alliance."

The Company believes that it has been able to leverage its leading traditional wholesale distribution business in the United States to establish its master reseller business. Over 95% of Ingram Alliance's sales are funded by floor plan financing companies. The Company typically receives payment from these financing institutions within three business days from the date of the sale, allowing Ingram Alliance to operate at much lower relative working capital levels than the Company's wholesale distribution business. Such floor plan financing is typically subsidized for Ingram Alliance's reseller customers by its suppliers.

Since its inception, Ingram Alliance has experienced rapid growth. In 1995, Ingram Alliance achieved net sales in excess of $700 million, and it currently has 12 suppliers and more than 800 reseller customers. Ingram Alliance's success has, to a large degree, been attributable to its ability to leverage Ingram Micro's distribution infrastructure and capitalize on strong supplier relationships.

To support additional growth, Ingram Alliance remains committed to further developing relations with key suppliers. These efforts are largely driven by joint supplier/distributor sales calls, proposal and bid development programs, and tailored marketing campaigns carried out by Ingram Alliance supplier program teams.

Ingram Alliance pursues an integrated sales and marketing strategy to gain new customers and grow its business. A fully-dedicated telesales team is in place, which in conjunction with the Company's field sales representatives aims to cultivate important relationships with reseller customers. Further, Ingram Alliance provides a wide range of high quality "for fee" value-added services for its customers including technical training and certification, warranty and repair, fulfillment, technical support, contract warehousing, and configuration services. Special promotional activities and creative financing packages are additional incentives for resellers to do business with Ingram Alliance.

Information Systems

The Company's information system, IMpulse, is central to its ability to provide superior execution to its customers, and as such, the Company believes that it represents an important competitive advantage. See "Risk Factors--Dependence on Information Systems."

Ingram Micro's systems are primarily mainframe-based in order to provide the high level of scalability and performance required to manage such a large and complex business operation. IMpulse is a single, standardized, real-time information system and operating environment, used across all of the Company's worldwide operations. It has been customized as necessary for use in every country in which the Company operates and has the capability to handle multiple languages and currencies. On a daily basis, the Company's systems typically handle 12 million on-line transactions, 26,000 orders, and 37,000 shipments. The Company has designed IMpulse as a scalable system that has the capability to support increased transaction volume. The overall on-line response time for the Company's network of over 8,000 user stations (terminals, printers, personal computers, and radio frequency hand held terminals) is less than one-half second.

Worldwide, Ingram Micro's centralized processing system supports more than 40 operational functions including receiving, order processing, shipping, inventory management, and accounting. At the core of the IMpulse system is on-line, real-time distribution software to which considerable enhancements and modifications have been made to support the Company's growth and its low cost business model. The Company makes extensive use of advanced telecommunications technologies with customer service-enhancing features, such as Automatic Call Distribution to route customer calls to the telesales representatives. The Telesales Department relies on its Sales Wizard system for on-line, real-time tracking of all customer calls and for status reports on sales statistics such as number of customer calls, customer call intentions, and total sales generated. IMpulse allows the Company's telesales representatives to deliver real-time information on product pricing, inventory, availability, and order status to reseller customers. The SAGP pricing system enables telesales representatives to make informed pricing decisions through access to specific product and order related costs for each order. Considering the industry's narrow margins, these pricing decisions are particularly important, and the Company believes that its ability to make thousands of informed pricing decisions daily represents a competitive advantage.

In the United States, the Company is in the process of implementing CTI technology, which will provide the telesales and customer service representatives with Automatic Number Identification capability and advanced telecommunications features such as on-screen call waiting and automatic call return, thereby reducing the time required to process customer orders and customer service requests.

To complement Ingram Micro's telesales, customer service, and technical support capabilities, IMpulse supports CIS, which integrates all of the Company's electronic services into a single solution. CIS offers a number of different electronic media through which customers can conduct business with the Company, such as the Customer Automated Purchasing System ("CAPS"), Electronic Data Interchange ("EDI"), the Bulletin Board Service, and the Ingram Micro Web site. The Company's latest additions to CIS are its Internet-based Electronic Catalog and Manufacturer Information Library. The Electronic Catalog provides reseller customers with real-time access to product pricing and availability, with the capability to search by product

category, name, or manufacturer. The Manufacturer Information Library is a comprehensive multi-manufacturer database of timely and accurate product, sales, marketing, and technical information, which is updated nightly for new information. Ingram Micro believes it is the first microcomputer wholesale distributor to offer electronic access to real-time product pricing, availability, and information on the World Wide Web. All of Ingram Micro's CIS offerings are constantly being reviewed for enhancement. For instance, a faster local network intranet solution to access the Manufacturer Information Library is currently being tested, and ordering and configuration capabilities through the Internet are under consideration.

The Company's warehouse operations use extensive bar-coding technology and radio frequency technology for receiving and shipping, and real-time links to UPS and FedEx for freight processing and shipment tracking. The Customer Service Department uses the POWER System for on-line documentation and faster processing of customer product returns. To ensure that adequate inventory levels are maintained, the Company's buyers depend on the Purchasing system to track inventory on a continual basis. Many other features of IMpulse help to expedite the order processing cycle and reduce operating costs for the Company as well as its reseller customers and suppliers.

To support and augment the Company's mainframe-based systems, the Company utilizes a number of client-server applications. Examples are the Marketing On-line Management System, a software application that provides management, accountability, and financial controls for over 6,000 marketing projects; APImage, an application that facilitates imaging of invoices and related documents in the Accounts Payable department, substantially reducing paper processing and improving document work flow; and DSS, a data warehousing application that enables multidimensional sales and profitability analysis. In the United States, over 330 associates across all functions have access to 75 million lines of data through DSS. DSS is used for, among other tasks, pricing decisions and analysis of profitability by customer market and product category. DSS is currently being implemented in Canada and the U.K., with plans to add other international locations thereafter. The Company has also begun to deploy other PC-based tools for both the United States and international locations, including workstations in Telesales and Purchasing to assist with product acquisition and pricing decisions.

The Company employs various security measures and backup systems designed to protect against unauthorized use or failure of its information systems. Access to the Company's information systems is controlled through the use of passwords and additional security measures are taken with respect to especially sensitive information. The Company has a five year contract with Sungard Recovery Services for disaster recovery and twice per year performs a complete systems test, including applications and database integrity. In addition, the Company has backup power sources for emergency power and also has the capability to automatically reroute incoming calls, such as from its Santa Ana (West Coast sales) facility to its Buffalo (East Coast sales) facility. The Company has not in the past experienced significant failures or downtime of IMpulse or any of its other information systems, but any such failure or significant downtime could prevent the Company from taking customer orders, printing product pick-lists, and/or shipping product and could prevent customers from accessing price and product availability information from the Company. See "Risk Factors--Dependence on Information Systems."

Over 350 experienced information technology professionals support the daily maintenance and continuous development of the Company's systems.

Operations

Order Entry

The order entry process begins with the entry of a customer account number by a telesales representative. With this input, IMpulse automatically displays the customer's name, address, credit terms, financing arrangements, and preferred shipping method. The telesales representative assists the customer on-line with product lookups, real-time inventory availability, price inquiries, and status of previous orders. As an order is entered, key information is filled in by the system, such as product description, price, availability, and adjusted gross margin. The closest warehouse to the customer with available product is automatically determined, and the corresponding product quantity is reserved. The system totals the order and automatically checks the customer's credit status. The order is released for processing, unless credit limits are exceeded or the order falls outside acceptable profit levels. In the latter case, the order is put on hold and immediately elevated for review by credit or sales management.

Reseller customers can also conduct business electronically through the Company's CIS offerings such as CAPS, EDI, and IM On Line. By using CIS, resellers can access the Company's database and place orders directly without the assistance of a telesales representative. See "--Information Systems."

Shipping

In most of Ingram Micro's operations, the Company's objective is to ship substantially all orders received by 5:00 p.m. on the same day. In Canada, France, Belgium, the U.K. and the Netherlands, the cut-off time for same day shipment is 6:00 p.m. When an order is released, it is immediately available for processing in the designated warehouse. IMpulse ensures cost efficient order processing through a system called Pick Assignment which determines pick lists based on the warehouse location of items ordered. In the distribution centers, Ingram Micro relies on a sophisticated bar code reading system and a flexible automated package handling system for picking,

packing, and shipping products accurately and cost effectively. In addition, IMpulse provides on-line shipping, manifesting, freight costing, invoicing and package tracking information.

The Company's warehouse inventories are maintained automatically by IMpulse which updates stock levels and feeds this information to the purchasing system for restocking as soon as an order is received. On-line quality assurance done during receipt of inbound product and prior to the shipment of orders ensures the integrity of warehouse stock inventory and the accuracy of shipments to customers. See "Risk Factors--Dependence on Independent Shipping Companies."

Purchasing

To monitor product inventory, the purchasing staff, numbering over 260 worldwide, uses the IMpulse system inventory reports, which provide product inventory levels, six months' sales history, month-to-date, and year-to-date sales statistics by SKU and by warehouse location. Buyers carefully analyze current and future inventory positions and profitability potential. Several factors, such as inventory carrying cost, payment terms, purchase rebates, volume discounts, and marketing funds are considered in negotiating deals with suppliers. Buyers enter purchase orders into the IMpulse system, indicating the SKU number, the quantity to be ordered, and the warehouse locations to which the order should be shipped. Cost information and supplier terms and conditions are automatically entered on the purchase order; and can be modified if different terms have been negotiated. The IMpulse system automatically generates purchase orders for each inventory warehouse location and transmits these orders directly to the suppliers via EDI or facsimile. See "Risk Factors--Risk of Declines in Inventory Value."

A number of purchasing programs have been developed to exploit opportunities unique to certain of the Company's operations. In Europe, the country managers work together as a group to obtain the best available supplier terms. The European "Inventory Sharing" program, when fully implemented, will allow sales personnel in one market to order products that are out of stock or otherwise unavailable in the local country from another European Ingram Micro business unit. Benefits of this program include lower inventory costs, better inventory turnover, and improved margins. In Canada, the U.S. Direct Fulfillment Program allows the fulfillment of individual Canadian orders from the United States as necessary. See "--Geographic Tactics--Canada" and "--Europe."

Geographic Tactics

Ingram Micro operates worldwide with a set of common, global strategies. Recognizing the varying requirements of the Company's different geographic markets, the Company has developed specific tactics to address local market conditions. However, the Company's non-U.S. operations are subject to certain additional risks. See "Risk Factors--Exposure to Foreign Markets; Currency Risk."

United States

In the United States, the Company has undertaken a number of key initiatives to enhance its position in the wholesale microcomputer marketplace:

- In an effort to capture an increased share of the VAR sector, the Company will seek to convey to the market its superior ability to supply basic wholesaling services to VARs, as well as its breadth of product offerings to support vertical VAR customer sets. The Premier VAR Plus program has been developed as the prime marketing vehicle for all VAR programs and services. This program provides VARs with graduated levels of business services based on monthly purchase volume. Such services include a dedicated technical sales force, end-user leads, technology seminars, and marketing symposiums.

- As a cornerstone of the Company's VAR efforts, the Enterprise Computing Division continues to expand its penetration in markets for high-end technical products such as UNIX, Windows NT, document imaging, and networking equipment. This will be accomplished by developing programs which institute a Company-wide commitment to the UNIX VAR market, providing a sophisticated sales force experienced in complex networking technology solutions, partnering with key suppliers of high-end technical products, and leveraging the Company's core competencies in electronic ordering and configuration.

- In order to increase its share of the Consumer sector, the Company maintains a team of sales account managers and business development specialists dedicated to the Consumer account base. The aim of the Consumer Markets Division is to provide a variety of value-added services including inventory mix management, store personnel training, marketing programs, and administration of supplier programs.

Canada

While the Company's Canadian operation closely mirrors the U.S. operation, initiatives unique to the Canadian operating environment have been developed and are described below:

- The U.S. Direct Fulfillment Program has been instituted in Canada to take advantage of its proximity to the United States. Through this program, Canadian customers are currently able to receive products directly from the Chicago distribution center. The expanded use of the U.S. Direct Fulfillment Program will allow for greater breadth of SKUs and manufacturers represented in the Canadian marketplace.

bullet As part of its overall strategy to grow share in the retail market, the Canadian operation periodically employs Dealer Development Representatives who provide product education, display set-up assistance, and other on-site assistance as a special service to retail customers.

Europe

One of the Company's key objectives is to become the market share leader in Europe. The Company entered Europe in 1989 with an acquisition in Belgium. See "Risk Factors--Acquisitions." Through a series of small acquisitions, it has rapidly grown to a pan-European presence with aggregate net sales of $1.8 billion in 1995, covering 11 countries: Austria, Belgium, Denmark, France, Germany, Italy, the Netherlands, Norway, Sweden, Spain, and the United Kingdom. The Company believes that it has the second largest market share position in Europe and that it has a strong base for future growth and increased profitability. Particular areas of focus in Europe include:

bullet The Company will seek to enhance gross margin in the European operation through increased emphasis on high-end and higher margin technical product sales and the implementation of the SAGP system.

bullet A program unique to Ingram Micro is Inventory Sharing. This program allows sales personnel in one European market to order products that are out of stock or otherwise unavailable in the local country from another Ingram Micro business unit. The billing is done in the local currency with all value-added taxes, tax reporting, and similar functions managed automatically by the IMpulse system. Inventory sharing allows the Company to expand its sales base without an expansion of inventory investment or individual country expansion of stock product assortment. Benefits of the program include lower inventory costs, better inventory turnover, and improved gross margin. An important initiative is to add more country operations to the inventory sharing program and to enhance the program through coordinated purchasing among several countries.

bullet Continued cost reduction, as a percentage of net sales, and cost control are important for boosting profitability in the European operation. The Company aims to further reduce expense ratios of the individual business units through increased sales volume, the continued development and refinement of operations and management processes, and the increasing use of selected U.S. and Canadian business programs.

Mexico/Asia Pacific

Mexico. Ingram Dicom, a 70%-owned subsidiary of Ingram Micro, is the leading wholesale distributor of microcomputer products in Mexico. Ingram Dicom offers over 6,000 products to more than 5,900 reseller customers in Mexico. In 1995, over 85% of Ingram Dicom's net sales came from 1,100 resellers who primarily service the country's major banks and businesses. Additionally, Ingram Dicom also sells to a small but growing VAR client base and to mass merchant retailers (e.g., Sam's Club, Sanborn's, Price Club).

As the local high technology market becomes more sophisticated, Ingram Dicom intends to add higher volume, more specialized technical (e.g., UNIX, networking) products to its inventory. Other important initiatives include adding a wider selection of technical education courses, extending CAPS electronic ordering throughout the entire Ingram Dicom operation, and offering a broader range of financing options for reseller customers. The Company will also continue to negotiate supplier terms and conditions aimed at limiting the Company's exposure to foreign currency fluctuations.

Asia Pacific. Ingram Micro's Asia Pacific operations, supported by its Singapore office and warehouse, focus on serving the Singapore, Malaysia, Indonesia, Philippines, Thailand, India, and Hong Kong markets. Over 800 customers are currently served from the Singapore base, with approximately 64% of these customers concentrated in the local Singapore market. The Company operates a sales office in Tokyo serving the Japanese market. In addition, the Company has recently acquired a distributor in Malaysia.

In building a solid regional Asia Pacific business, the Company intends to leverage its systems capability, financial strength, management experience, and excellent relationships with key suppliers. The initial aim of the Asia Pacific strategy is to recruit new suppliers and reseller customers while further adding experienced managers in key functional areas of the business. The Company is currently exploring the possibility of establishing additional operations through joint ventures or acquisitions. See "Risk Factors--Acquisitions."

Export Markets

Ingram Micro's Export Division continues to expand in international markets where the Company does not have a stand-alone, in-country presence. The Miami, Santa Ana, and Belgium offices serve more than 2,500 resellers in over 100 countries. In addition, the Export Division has field sales representatives based in Buenos Aires, Argentina and Quito, Ecuador.

Key strategic objectives for the Export Division include increasing sales and market share in each of the regions it serves primarily by providing a broad product assortment, further cultivating key supplier relationships, and expanding reseller service offerings. The Company will continue to position itself as a global distributor of microcomputer products providing resellers in all markets access to the Company's vast selection of products via its extensive network of international and U.S. warehouses.

Competition

The Company operates in a highly competitive environment, both in the United States and internationally. The microcomputer products distribution industry is characterized by intense competition, based primarily on price, product availability, speed and accuracy of delivery, effectiveness of sales and marketing programs, credit availability, ability to tailor specific solutions to customer needs, quality and breadth of product lines and service, and availability of technical and product information. The Company believes it competes favorably with respect to each of these factors. As price points have declined, the Company believes that value-added services capabilities (such as configuration, innovative financing programs, order fulfillment, contract telesales, and contract warehousing) will become more important competitive factors.

The Company entered the master reseller business through Ingram Alliance in late 1994. See "--Ingram Alliance." The Company competes with other master resellers, which sell to groups of affiliated franchisees and third-party dealers. Many of the Company's competitors in the master reseller business are more experienced and have more established contacts with affiliated resellers, third-party dealers, or suppliers, which may provide them with a competitive advantage over the Company.

The Company is constantly seeking to expand its business into areas closely related to its core microcomputer products distribution business. As the Company enters new business areas, it may encounter increased competition from current competitors and/or from new competitors, some of which may be current customers of the Company. For example, the Company intends to distribute media in the new digital video disc format and may compete with traditional music and printed media distributors. In addition, certain services the Company provides may directly compete with those provided by the Company's reseller customers. There can be no assurance that increased competition and adverse reaction from customers resulting from the Company's expansion into new business areas will not have a material adverse effect on the Company's business, financial condition, or results of operations. See "Risk Factors--Intense Competition."

Ingram Micro's primary competitors include large U.S.-based international distributors such as Merisel, Tech Data, and Arrow Electronics (a worldwide industrial electronics distributor), as well as national distributors such as AmeriQuest Technologies (majority owned by Computer 2000), Handleman, Navarre, and Avnet. Ingram Alliance's principal competitors include such master resellers as Intelligent Electronics, MicroAge, Datago, InaCom, and recent entrant Tech Data Elect, a division of Tech Data. Ingram Micro competes internationally with a variety of national and regional distributors. European competitors include international distributors such as Computer 2000 (owned by German conglomerate Viag AG), CHS Electronics, and Softmart/Tech Data, and several local and regional distributors, including Actebis, Scribona, and Microtech. In Canada, Ingram Micro competes with Merisel, Globelle, Beamscope, and Tech Data. Ingram Dicom is the leading distributor in Mexico, competing with such companies as MPS, CHS Electronics, Intertec, and Dataflux. In the Asia Pacific market, Ingram Micro faces both regional and local competitors, of whom the largest is Tech Pacific, a division of First Pacific Holdings, which operates in more than five Asia Pacific markets.

Ingram Micro also competes with hardware manufacturers and software publishers that sell directly to reseller customers and end-users.

Facilities

Ingram Micro's worldwide executive headquarters, as well as its West Coast sales and support offices, are located in Santa Ana, California. The Company also maintains an East Coast operations center in Buffalo, New York. A new United States distribution center in Millington, Tennessee is expected to be completed in April 1997, adding 600,000 square feet to the Company's warehouse capacity. This distribution center will be strategically located near several major transportation hubs and is expected to benefit from lower regional labor costs. The U.S. network of distribution centers permits Ingram Micro to keep an extensive supply of product close to its reseller customers, which enables the Company to provide substantially all of its U.S. reseller customers with one- or two-day ground delivery.

The principal properties of the Company consist of the following:

Location	Principal Use	Approximate Floor Area in Sq. Ft
United States		
Santa Ana, CA	Executive offices	398,245
Buffalo, NY	Offices	188,341
Nashville, TN	Data Processing Center	11,782
Millington, TN	Distribution Center (under construction)	600,000
Chicago/Carol Stream, IL	Distribution Centers	456,139
Fullerton, CA	Distribution Center	401,394
Harrisburg, PA	Distribution Center	230,000
Memphis, TN	Distribution Center	160,000
Fremont, CA	Distribution Center	141,540
Carrollton, TX	Distribution Center	121,654
Atlanta, GA	Distribution Center	83,049
Miami, FL	Distribution Center, Offices	52,080
Santa Ana, CA	Returns Center, Offices	219,500
Fremont, CA	Freight Consolidation Center	58,435

Europe		
Brussels, Belgium	Offices	33,600
Horsholm, Denmark	Offices	39,682
Ballerup, Denmark	Distribution Center	58,104
Lesquin, France	Offices	37,088
Paris, France	Offices	4,250
Roncq, France	Distribution Center	96,000
Ottobrunn, Germany	Offices	32,221
Kirchheim, Germany	Distribution Center	75,904
Milan, Italy	Offices	17,114
Milan, Italy	Distribution Center	44,669
Rome, Italy	Offices, Distribution Center	10,225
Utrecht, Netherlands	Offices	30,999
Vianen, Netherlands	Distribution Center	61,149
Oslo, Norway	Offices, Distribution Center	53,595
Madrid, Spain	Offices, Distribution Center	17,689
Barcelona, Spain	Offices, Distribution Center	74,508
Kista, Sweden	Offices	26,371
Sollentuna, Sweden	Distribution Center	43,126
Milton Keynes, U.K	Offices, Distribution Center	211,992
Canada		
Toronto, Ontario	Offices, Distribution Center	274,376
Vancouver, B.C	Offices, Distribution Center	87,148
Montreal, Quebec	Offices	12,000
Mexico		
Mexico City, D.F	Offices, Distribution Center	65,695
Puebla, Puebla	Offices, Distribution Center	11,679
Leon, Guanajuato	Offices, Distribution Center	11,206
Guadalajara, Jalisco	Offices, Distribution Center	9,967
Merida, Yucatan	Offices, Distribution Center	6,437
Monterrey, Nuevo Leon	Offices, Distribution Center	6,039
Hermosillo, Sonora	Offices, Distribution Center	5,156
Asia		
Singapore	Offices, Distribution Center	20,989
Kuala Lumpur, Malaysia	Offices, Distribution Center	6,000
Tokyo, Japan	Offices	720

All of the Company's facilities, with the exception of the Brussels office and the distribution centers in Chicago and Roncq, France are leased. The Company does not anticipate any material difficulty in renewing any of its leases as they expire or securing replacement facilities, in each case on commercially reasonable terms. The Company has recently purchased three undeveloped properties in Santa Ana, California totaling approximately 23.27 acres.

Trademarks and Service Marks

The Company holds various trademarks and service marks, including, among others, "Ingram Micro," "IMpulse," the Ingram Micro logo, "Partnership America," and "Leading the Way in Worldwide Distribution." Certain of these marks are registered, or are in the process of being registered, in the United States and various foreign countries. Even though the Company's marks may not be registered in every country where the Company conducts business, in many cases the Company has acquired rights in those marks because of its continued use of them. Management believes that the value of the Company's marks is increasing with the development of its business but that the business of the Company as a whole is not materially dependent on such marks.

Employees

As of September 28, 1996, the Company had approximately 8,434 associates located as follows: United States--5,322, Europe--1,840, Canada--797, Mexico--405, and Asia-Pacific--70. Ingram Micro believes that its success depends on the skill and dedication of its associates. The Company strives to attract, develop, and retain outstanding personnel. None of the Company's associates in the United States, Europe, Canada, Malaysia, and Singapore are represented by unions. In Mexico, Ingram Dicom has collective bargaining agreements with one of the national unions. The Company considers its employee relations to be good.

Legal Proceedings

There are no material pending legal proceedings to which the Company is a party or to which any of its property is subject.

MANAGEMENT

Executive Officers and Directors

The following table sets forth certain information with respect to each person who is an executive officer or director of the Company:

Name	Age	Present and Prior Positions Held(1)	Years Positions Held

Jerre L. Stead(2)	53	Chief Executive Officer and Chairman of the Board	Aug. 1996 - Present
		Chief Executive Officer and Chairman of the Board, Legent Corporation, a software development company	Jan. 1995 - Aug. 1995
		Executive Vice President, Chairman and Chief Executive Officer, AT&T Corp. Global Information Solutions (NCR Corp.), a computer manufacturer	May 1993 - Dec. 1994
		President and Chief Executive Officer, AT&T Corp. Global Business Communication Systems, a communications company	Sept. 1991 - Apr. 1993
		Chairman, President and Chief Executive Officer, Square D Co., an electronics manufacturer	Sept. 1988 - Aug. 1991
Jeffrey R. Rodek	43	Worldwide President; Chief Operating Officer	Dec. 1994 - Present
		Senior Vice President, Americas and Caribbean, Federal Express, an overnight courier firm	July 1991 - Sept. 1994
		Senior Vice President, Central Support Services, Federal Express	Dec. 1989 - July 1991
David R. Dukes	52	Vice Chairman	Apr. 1996 - Present
		Chief Executive Officer, Ingram Alliance	Jan. 1994 - Present
		Co-Chairman	Jan. 1992 - Apr. 1996
		Chief Operating Officer	Sept. 1989 - Dec. 1993
		President	Sept. 1989 - Dec. 1991
Sanat K. Dutta	47	Executive Vice President; President, Ingram Micro U.S.	Oct. 1996 - Present
		Executive Vice President	Aug. 1994 - Oct. 1996
		Senior Vice President, Operations	May 1988 - Aug. 1994
Michael J. Grainger	44	Executive Vice President; Worldwide Chief Financial Officer	Oct. 1996 - Present
		Chief Financial Officer	May 1996 - Oct. 1996
		Vice President and Controller, Ingram Industries	July 1990 - Nov. 1996
John Wm. Winkelhaus, II	46	Executive Vice President; President, Ingram Micro Europe	Jan. 1996 - Oct. 1996
		Senior Vice President, Ingram Micro Europe	Feb. 1992 - Dec. 1995
		Senior Vice President, Sales	Apr. 1989 - Jan. 1992
James E. Anderson, Jr.	49	Senior Vice President, Secretary, and General Counsel	Jan. 1996 - Present
		Vice President, Secretary, and General Counsel, Ingram Industries	Sept. 1991 - Nov. 1996
		Partner, Dearborn & Ewing, a Nashville law firm	Jan. 1986 - Sept. 1991
Douglas R. Antone	43	Senior Vice President; President, Ingram Alliance	July 1994 - Present
		Senior Vice President, Worldwide Sales and Marketing, Borland International	Nov. 1993 - May 1994
		Senior Vice President, Worldwide Sales, Borland International	July 1990 - Nov. 1993
Larry Elchesen	46	Senior Vice President	June 1994 - Present
		President, Ingram Micro Canada	May 1989 - Present
Philip Ellett	42	Senior Vice President; Chief Operating Officer, Ingram Micro Europe	Oct. 1996 - Present
		Senior Vice President; General Manager, U.S. Consumer Markets Division	Jan. 1996 - Oct. 1996
		President, Gates/Arrow, an electronics distributor	Aug. 1994 - Dec. 1995
		President and Chief Executive Officer, Gates/F.A. Distributing, Inc.	Oct. 1991 - Aug. 1994
		President and Chief Operating Officer, Gates/F.A. Distributing, Inc.	Oct. 1990 - Oct. 1991
David M. Finley	56	Senior Vice President, Human Resources	July 1996 - Present
		Senior Vice President, Human Resources, Budget Rent a Car, a car rental company	May 1995 - July 1996
		Vice President, Human Resources, The Southland Corporation, a convenience retail company	Jan. 1977 - May 1995
Robert Furtado	40	Senior Vice President, Operations	Aug. 1994 - Present
		Vice President, Operations	July 1989 - Aug. 1994
Robert Grambo	32	Senior Vice President, Telesales	Oct. 1995 - Present
		Vice President, Sales	Apr. 1994 - Sept. 1995
		Vice President, Product Marketing	Apr. 1993 - Mar. 1994
		President, Bloc Publishing Corp., a software publishing firm	Apr. 1992 - Apr. 1993
		Senior Director, Purchasing, Ingram Micro	Jan. 1990 - Apr. 1992
Ronald K. Hardaway	52	Senior Vice President; Chief Financial Officer, Ingram Micro U.S.	Jan. 1992 - Present
		Senior Vice President and Controller	June 1990 - Jan. 1992
Gregory J. Hawkins	42	Senior Vice President, Sales	Oct. 1995 - Present
		Vice President, Sales	Jan. 1993 - Oct. 1995
		Vice President, Major Accounts	Aug. 1992 - Jan. 1993
		Director, Major Accounts, Consumer Markets	June 1992 - Aug. 1992
		Director, Marketing	Jan. 1991 - June 1992
James M. Kelly	60	Senior Vice President, Management Information Systems	Feb. 1991 - Present
David W. Rutledge	43	Senior Vice President, Asia Pacific, Latin America and Export Markets	Jan. 1996 - Present
		Senior Vice President, Administration	Sept. 1991 - Dec. 1995
		Vice President, Secretary, and General Counsel, Ingram Industries	Jan. 1986 - Sept. 1991
Martha R. Ingram(3)(4)	61	Director	May 1996 - Present
		Chairman of the Board of Directors	May 1996 - Aug. 1996
		Chairman of the Board of Directors, Ingram	June 1995 - Present

		Industries	
		Director, Ingram Industries	1981 - Present
		Chief Executive Officer, Ingram Industries	Apr. 1996 - Present
		Director of Public Affairs, Ingram Industries	1979 - June 1995
John R. Ingram(3)	35	Director	Dec. 1994 - Present
		Acting Chief Executive Officer	May 1996 - Aug. 1996
		Co-President, Ingram Industries	Jan. 1996 - Present
		President, Ingram Book Company	Jan. 1995 - Oct. 1996
		Vice President, Purchasing, Ingram Micro Europe	Jan. 1994 - Dec. 1994
		Vice President, Management Services, Ingram Micro Europe	July 1993 - Dec. 1993
		Director of Management Services, Ingram Micro Europe	Jan. 1993 - June 1993
		Director of Purchasing	Apr. 1991 - Dec. 1992
David B. Ingram(3)	33	Director	May 1996 - Present
		Chairman and President, Ingram Entertainment	Mar. 1996 - Present
		President and Chief Operating Officer, Ingram Entertainment	Aug. 1994 - Mar. 1996
		Vice President, Major Accounts, Ingram Entertainment	Nov. 1993 - Aug. 1994
		Assistant Vice President, Sales, Ingram Entertainment	June 1992 - Nov. 1993
		Director, Sales, Ingram Entertainment	July 1991 - June 1992
Don H. Davis, Jr. (5)	56	Director	Oct. 1996 - Present
		President and Chief Operating Officer, Rockwell International Corporation, a diversified high-technology company	July 1995 - Oct. 1996
		Executive Vice President and Chief Operating Officer, Rockwell International Corporation	Jan. 1994 - July 1995
		Senior Vice President; President, Automation Group, Rockwell International Corporation	June 1993 - Jan. 1994
		President, Allen-Bradley Company, a wholly-owned subsidiary of Rockwell International Corporation	July 1989 - Jan. 1994
Philip M. Pfeffer	51	Director	1986 - Present
		President and Chief Operating Officer, Random House Inc., a publishing company	May 1996 - Present
		Executive Vice President, Ingram Industries	Dec. 1981 - Mar. 1996
		Chairman and Chief Executive Officer, Ingram Distribution Group Inc.	Dec. 1981 - Dec. 1995
		Chairman, Ingram Micro Holdings Inc.	Apr. 1989 - Oct. 1995
J. Phillip Samper (6)	62	Director	Oct. 1996 - Present
		Chairman and Chief Executive Officer, Cray Research, Inc., a computer products company	May 1995 - Mar. 1996
		President and Chief Executive Officer, Sun Microsystems Computer Company, a division of Sun Microsystems, Inc., a computer products company	Jan. 1994 - Mar. 1995
		Managing Partner, FRN Group, a private investment and consulting firm	Feb. 1991 - Jan. 1994
		President and Chief Executive Officer, Kindercare Learning Centers, Inc., a child care and educational company	May 1990 - Feb. 1991
Joe B. Wyatt (7)	61	Director	Oct. 1996 - Present
		Chancellor, Vanderbilt University	July 1982 - Present

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(1) The first position and any other positions not given a separate corporate identification are with the Company.

(2) Jerre L. Stead is a director of Armstrong World Industries, Inc., Autodesk, Inc., and TJ International, Inc.

(3) Martha R. Ingram is the mother of David B. Ingram and John R. Ingram. There are no other family relationships among the above individuals.

(4) Martha R. Ingram is a director of Baxter International Inc., First American Corporation, and Weyerhaeuser Co.

(5) Don H. Davis, Jr. is a director of Sybron International Corporation.

(6) J. Phillip Samper is a director of Armstrong World Industries, Inc., The Interpublic Group of Companies, Inc., Sylvan Learning Systems, Inc., Network Storage Corp., and Scitex Corporation, Ltd.

(7) Joe B. Wyatt is a director of Sonat, Inc. and Reynolds Metals Company.

Board of Directors

The Board of Directors currently consists of Mr. Stead, Mrs. Ingram, and Messrs. John R. Ingram, David B. Ingram, Davis, Pfeffer, Samper, and Wyatt. So long as the Ingram Family Stockholders and their permitted transferees (as defined in the Board Representation Agreement) own in excess of 25,000,000 shares of the outstanding Common Equity, the Board Representation Agreement will provide for the designation of (i) not more than three directors designated by the Ingram Family Stockholders, (ii) one director designated by the Chief Executive Officer of the Company, and (iii) four or five additional directors ("Independent Directors") who are not members of the Ingram family or executive officers or employees of the Company. Directors designated by the Ingram Family Stockholders may include Martha R. Ingram, any of her legal descendants, or any of their respective spouses. See "The Split-Off and the Reorganization--The Reorganization." Messrs. Davis, Pfeffer, Samper, and Wyatt are Independent Directors.

One additional Independent Director may be designated after the closing of the IPO.

Committees. The Board Representation Agreement provides for the formation of certain committees of the Board of Directors. The Bylaws of the Company specifically provide for four committees: an Executive Committee, a Nominating Committee, an Audit Committee, and a Compensation Committee.

The Executive Committee consists of three directors, one of whom is a director designated by the Ingram Family Stockholders, one of whom is the director designated by the Chief Executive Officer of the Company, and one of whom is an Independent Director. The Executive Committee currently consists of Messrs. Stead, John R. Ingram, and Samper. The Executive Committee may approve management decisions requiring the immediate attention of the Board of Directors during the period of time between each regularly scheduled meeting of the Board. The Executive Committee does not have authority to approve any of the following items, all of which require the approval of the Board: (i) any action that would require the approval of the holders of a majority of the stock held by certain of the Ingram Family Stockholders or that would require approval of the holders of a majority of the Common Equity under applicable law or under the Certificate of Incorporation or Bylaws of the Company; (ii) any acquisition with a total aggregate consideration in excess of 2% of the Company's stockholders' equity; (iii) any action outside the ordinary course of business of the Company; or (iv) any other action involving a material shift in policy or business strategy for the Board.

The Nominating Committee consists of three directors, two of whom are directors designated by the Ingram Family Stockholders, and one of whom is the director designated by the Chief Executive Officer of the Company. The Nominating Committee currently consists of Messrs. David B. Ingram and Stead and Mrs. Ingram. The function of the Nominating Committee is to recommend to the full Board of Directors nominees for election as directors of the Company and to elect members of committees of the Board of Directors. The Nominating Committee names the respective members of an Audit Committee and a Compensation Committee.

The Audit Committee consists of at least three directors, and a majority of the members of the Audit Committee are Independent Directors. The Audit Committee currently consists of Messrs. John R. Ingram, Pfeffer, and Wyatt. The functions of the Audit Committee are to recommend annually to the Board of Directors the appointment of the independent auditors of the Company, discuss and review in advance the scope and the fees of the annual audit and review the results thereof with the independent auditors, review and approve non-audit services of the independent auditors, review compliance with existing major accounting and financial reporting policies of the Company, review the adequacy of the financial organization of the Company, and review management's procedures and policies relating to the adequacy of the Company's internal accounting controls and compliance with applicable laws relating to accounting practices.

The Compensation Committee consists of three directors, one of whom is a director designated by the Ingram Family Stockholders and two of whom are Independent Directors. The Compensation Committee currently consists of Messrs. Davis and Samper and Mrs. Ingram. The functions of the Compensation Committee are to review and approve annual salaries, bonuses, and grants of stock options pursuant to the 1996 Plan for all executive officers and key members of the Company's management staff and to review and approve the terms and conditions of all employee benefit plans or changes thereto.

Compensation of Directors. Directors who are not Independent Directors do not receive any additional compensation for serving on the Board of Directors, but will be reimbursed for expenses incurred in attending meetings of the Board of Directors and Committees thereof. Each current Independent Director has been, and each new Independent Director will be, granted, at the later of (i) the date his or her service begins and (ii) October 31, 1996, options to purchase 45,000 shares of Common Stock. These options have an exercise price per share equal to the market price of the Common Stock on the date of grant and will vest in equal installments on the first, second, and third anniversaries of the date of grant. Independent Directors do not receive any other compensation for their service, but are reimbursed for expenses incurred in attending meetings of the Board of Directors and committees thereof.

Executive Compensation

Summary Compensation Table. The following table provides information relating to compensation for the year ended December 30, 1995 for the Company's former Chief Executive Officer and the other four most highly compensated executive officers of the Company (collectively, the "Named Executive Officers") for services rendered by each Named Executive Officer during the year ended December 30, 1995. A portion of this compensation was paid by Ingram Industries and was included as a factor in the determination of intercompany charges paid by the Company to Ingram Industries.

			Long-Term Compensation Awards	
	Annual Compensation			
			Securities Underlying	All Other Compensation

Name and Principal Position(s)	Year(1)	Salary($)(2)	Bonus($)(3)	Options/SARs(#)	($)(4)
Linwood A. (Chip) Lacy, Jr.(5) Former Chief Executive Officer and Former Chairman of the Board of Directors	1995	558,000	$414,057	--	$ 28,617
Jeffrey R. Rodek Worldwide President and Chief Operating Officer	1995	392,820	267,089	240,258(6)	163,649
David R. Dukes Vice Chairman of the Company and Chief Executive Officer of Ingram Alliance	1995	260,130	205,611	--	10,607
Sanat K. Dutta Executive Vice President and President, Ingram Micro U.S.	1995	263,500	213,593	--	12,365
John Wm. Winkelhaus, II Executive Vice President and President, Ingram Micro Europe	1995	250,000	130,441	--	124,287

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(1) Under rules promulgated by the Securities and Exchange Commission (the "Commission"), since the Company was not a reporting company during the three immediately preceding fiscal years, only the information with respect to the most recent completed fiscal year is reported in the Summary Compensation Table.

(2) Includes amounts deferred under qualified and nonqualified defined contribution compensation plans and pretax insurance premium amounts.

(3) Reflects amounts paid in 1996 in respect of the fiscal year ended December 30, 1995.

(4) Includes the following amounts: Mr. Lacy (group term life insurance, $3,600; employer thrift plan contributions, $20,625; relocation, $4,392); Mr. Rodek (group term life insurance, $1,632; employer thrift plan contributions, $11,631; relocation, $150,386); Mr. Dukes (group term life insurance, $1,152; employer thrift plan contributions, $9,455); Mr. Dutta (group term life insurance, $2,784; employer thrift plan contributions, $9,581); and Mr. Winkelhaus (group term life insurance, $1,006; employer thrift plan contributions, $6,211; and expatriate compensatory payments, $117,070).

(5) Mr. Lacy was an employee of Ingram Industries at all times during 1995. All amounts shown for Mr. Lacy were paid by Ingram Industries, and a portion of such amounts is reflected in the Company's consolidated statement of income under charges allocated from Ingram Industries.

(6) Represents options exercisable for 175,000 shares of Ingram Industries common stock, which were converted into options exercisable for 240,258 shares of Common Stock in connection with the Split-Off.

Stock Option/SAR Grants in Last Fiscal Year. The following table provides information relating to stock options granted to the Named Executive Officers for the year ended December 30, 1995.

	Individual Grants(1)					
	Number of Securities Underlying Options/SARs Granted	% of Total Options/SARs Granted to Employees of the Company in Fiscal Year	Exercise or Base Price ($/sh)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock price appreciation for Option Term 5%($)	10%($)
Linwood A. (Chip) Lacy, Jr.	--	--	--	--	--	--
Jeffrey R. Rodek(2)	240,258	22.95%	$2.85	1/1/03	$326,532	$782,100
David R. Dukes	--	--	--	--	--	--
Sanat K. Dutta	--	--	--	--	--	--
John Wm. Winkelhaus, II	--	--	--	--	--	--

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(1) The Company has, since December 30, 1995, granted certain options to purchase Class B Common Stock, including options to purchase 150,000, 35,000, 40,000, and 40,000 shares, respectively, to Messrs. Rodek, Dukes, Dutta, and Winkelhaus. Additionally, options to purchase Common Stock were granted to certain officers of the Company, including options to purchase 200,000, 150,000, 125,000, and 75,000 shares, respectively, to Messrs, Rodek, Dukes, Dutta, and Winkelhaus, concurrently with the IPO at the initial public offering price. See "--1996 Plan--Options."

(2) Represents options exercisable for 175,000 shares of Ingram Industries common stock, which were converted into options exercisable for 240,258 shares of Common Stock in connection with the Split-Off. Mr. Rodek's options vest according to the following schedule: 34,324 shares on January 1, 1997, 60,064 shares on January 1, 1998, 60,064 shares on January 1, 1999, 60,064 shares on January 1, 2000, and 25,742 shares on January 1, 2001.

Stock Options/SAR Exercises in Last Fiscal Year and Fiscal Year-End Options/SAR Values. The following table provides information relating to stock options and ISUs exercised by the Named Executive Officers during the year ended December 30, 1995, as well as the number and value of securities underlying unexercised stock options held by the Named Executive Officers as of December 30, 1995.

Name	Shares Acquired on Exercise During 1995(1)(2)	Value Realized ($)(3)	Number of Securities Underlying Unexercised Options/SARs at Year End Exercisable/ Unexercisable(2)	Value of Unexercised In-the-Money Options/SARs at Year End Exercisable/ Unexercisable
Linwood A. (Chip) Lacy, Jr	1,613,158(4)	$2,917,808	46,875/372,315(5)	$119,844/$810,153(5)
Jeffrey R. Rodek	--	--	0/274,580	0/ 214,400
David R. Dukes	--	518,063	30,032/243,861	71,921/ 540,609
Sanat K. Dutta	--	--	0/258,105	0/ 455,656
John Wm. Winkelhaus, II	--	278,600	0/244,376	0/ 450,216

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(1) Excludes Ingram Industries ISUs held by Messrs. Lacy, Dukes, and Winkelhaus that matured in 1995 and were settled in cash.

(2) Reflects the conversion of shares of Ingram Industries common stock, or options exercisable for shares of Ingram Industries common stock, into shares of Class B Common Stock, or options exercisable for shares of Common Stock, in connection with the Split-Off.

(3) Includes $830,408, $518,063, and $278,600 paid to Messrs. Lacy, Dukes, and Winkelhaus, respectively, in connection with the settlement of ISUs.

(4) 1,544,513 of such shares were acquired from the E. Bronson Ingram Charitable 8% Remainder Unitrust and were deemed to be acquired from the Company.

(5) Excludes options exercisable for 12,731/101,121 shares of Ingram Industries common stock with a value of $44,687/$302,084.

Pension Plan

None of the Named Executive Officers other than Mr. Lacy participates in the tax-qualified Ingram Retirement Plan and the non-qualified Ingram Supplemental Executive Retirement Plan (the "Retirement Plans") sponsored by Ingram Industries. At the time he left the Company, Mr. Lacy had earned one year of credited service under the Retirement Plans.

Mr. Lacy's benefit from the Retirement Plans will be in the form of a deferred annuity. At age 65, his life only annuities would be $178.70 per month from the Ingram Retirement Plan and $539.70 per month from the Ingram Supplemental Executive Retirement Plan. It is anticipated that the Company will establish a qualified plan similar to the Ingram Industries qualified plan. None of the Named Executive Officers will participate in the Company's qualified retirement plan.

Employment Agreements

In August 1996, the Company entered into an agreement with Mr. Stead pursuant to which he agreed to serve as Chief Executive Officer and Chairman of the Board of the Company. The agreement provides for the grant to Mr. Stead of options at the initial public offering price exercisable for 3,600,000 shares of Common Stock. Such options will vest over an extended period, as described below. In lieu of receipt of 200,000 of such options, Mr. Stead has purchased 200,000 shares of Common Stock directly from the Company at the initial public offering price. See "--1996 Plan--Options." Mr. Stead will not receive any salary, bonus, or other cash compensation during the vesting period of such options; however, the Company has agreed to compensate Mr. Stead in a mutually agreeable manner in the event that the initial public offering price exceeds $14.00. The Company has also agreed to provide Mr. Stead and his spouse with lifetime healthcare coverage, with a lifetime cap of $2.0 million, as well as certain other perquisites.

In December 1994, the Company entered into an agreement with Mr. Rodek pursuant to which he agreed to serve as President and Chief Operating Officer of the Company and as a member of the Company's Board of Directors. The agreement provides for a base salary, participation in the Company's Executive Incentive Bonus Plan, and participation in the Company's health and benefit programs. Mr. Rodek will receive a severance benefit equal to his annual base salary if the Company terminates his employment without cause prior to January 1, 1998. Mr. Rodek currently serves as Worldwide President and Chief Operating Officer.

In April 1988, the Company entered into an agreement with Mr. Dutta pursuant to which he agreed to serve as Senior Vice President, Operations. The agreement provides for a base salary, participation in the Company's Executive Incentive Bonus Plan, and participation in the Company's

health and benefit programs. Mr. Dutta will receive a severance benefit of nine months' base salary if he is terminated without cause or 12 months' base salary if he is involuntarily terminated or has a substantial change in title or reduction of salary within 12 months of a change in control (as defined in the agreement). Mr. Dutta currently serves as Executive Vice President and President, Ingram Micro U.S.

In June 1991, the Company entered into an agreement with Mr. Winkelhaus pursuant to which he agreed to serve as Senior Vice President, Ingram Micro Europe. The agreement provides for a base salary, a housing cost and goods and services differential, participation in the Company's Executive Incentive Bonus Plan, and participation in the Company's health and benefit programs. Mr. Winkelhaus currently serves as Executive Vice President and President, Ingram Micro Europe.

Mr. Lacy resigned as Chairman and Chief Executive Officer of the Company effective May 31, 1996. Pursuant to an agreement (the "Severance Agreement"), Mr. Lacy resigned from all positions with the Company, and resigned from all positions with Ingram Industries and its other subsidiaries, except that Mr. Lacy will remain a director of Ingram Industries until December 31, 1997, unless earlier removed in accordance with the bylaws of Ingram Industries. In addition, Mr. Lacy has agreed to serve as a director of the Company, if so requested by Ingram Industries, until December 31, 1997.

Pursuant to the Severance Agreement, Mr. Lacy agreed to cooperate with the Company and Ingram Industries in connection with the consummation of the Split-Off and the IPO. Mr. Lacy has also agreed not to use or disclose confidential information relating to the Company. Furthermore, Mr. Lacy has agreed that until November 30, 1998, he will not compete with the Company or solicit for hire any person who was or becomes an employee of the Company between December 1, 1995 and June 1, 1998. Mr. Lacy has also agreed to similar restrictions with respect to the businesses of Ingram Industries and its other subsidiaries.

The Company agreed to pay Mr. Lacy one year's salary at the level in effect as of the date of his resignation, and has paid Mr. Lacy $272,000, his earned bonus for the first five months of 1996. In addition, the Severance Agreement provides for the continuation of certain health and life insurance benefits for a period of 12 months from the date thereof. Mr. Lacy will also receive certain payments from Ingram Industries.

The shares of Ingram Industries common stock owned by Mr. Lacy were converted into shares of Class B Common Stock in connection with the Split-Off. These shares have been placed in an escrow account, although Mr. Lacy will be permitted to sell such shares, subject to applicable tax and securities laws, provided that the after-tax proceeds of such sales remain in the escrow account. If at any time prior to December 1, 1998, Mr. Lacy breaches the terms and conditions of the Severance Agreement, the Company shall have the right to be reimbursed for its damages from this escrow account. Furthermore, Ingram Industries and the Company may suspend any payments or obligations otherwise owed to Mr. Lacy. If not earlier released due to the death of Mr. Lacy or a Change of Control (as defined therein), fifty percent of the escrow account will be released on June 1, 1998 and the remainder on December 1, 1998.

Key Employee Stock Purchase Plan

As of April 30, 1996, the Board of Directors of the Company adopted, and Ingram Industries, as the sole stockholder of the Company, approved, the Key Employee Stock Purchase Plan (the "Stock Purchase Plan"). The Company has reserved 4,000,000 shares of Class B Common Stock to cover awards under the Stock Purchase Plan.

Employee Offering. In the second quarter of 1996, the Company offered (the "Employee Offering") 2,775,000 shares of its Class B Common Stock, of which 2,510,400 shares were purchased, in reliance upon Regulation D and Regulation S under the Securities Act of 1933, as amended (the "Securities Act"), for $17,572,800, to certain of its officers. Such shares are subject to vesting, certain restrictions on transfer, and repurchase by the Company upon termination of the holder's employment. As of October 31, 1996, 50,000 of such shares have been repurchased by the Company. In order to allow loan financing from a bank of the shares purchased in the Employee Offering, the Company entered into repurchase agreements with such bank, pursuant to which it agreed to repurchase (i) unvested shares at the lower of fair market value and $7.00 and (ii) vested shares at fair market value, in the event of an employee's default on his or her loan.

Restricted Stock Grants. The Company also made grants pursuant to the Stock Purchase Plan of an aggregate of 107,000 restricted shares of Class B Common Stock to certain officers and employees of the Company, which shares will vest 25% on April 1, 1998 and each year thereafter through 2001. Prior to vesting, such shares are subject to forfeiture to the Company, with no consideration paid to the holder thereof, upon termination of the holder's employment. As of October 31, 1996, 5,000 of such shares have been forfeited to the Company.

1996 Plan

As of April 30, 1996, the Board of Directors of the Company adopted, and Ingram Industries, as the sole stockholder of the Company, approved, the 1996 Equity Incentive Plan (the "1996 Plan"). The Company has amended the 1996 Plan, effective as of October 31, 1996, primarily to increase the number of shares available for grant from 10,000,000 shares to 12,000,000 shares, as well as to change the allowable vesting schedule for options granted under the 1996 Plan and to permit options to be granted to purchase shares of Common Stock in addition to Class B Common Stock. Options granted

prior to October 31, 1996 will continue to be governed by the 1996 Plan as in effect prior to the amendment of the 1996 Plan.

The purpose of the 1996 Plan is to attract and retain key personnel and to enhance their interest in the Company's continued success.

The 1996 Plan is administered by the Board of Directors of the Company or a committee appointed thereby (the "Committee"). The Committee has broad discretion, subject to contractual restrictions affecting the Company, as to the specific terms and conditions of each award and any rules applicable thereto, including but not limited to the effect thereon of the death, retirement, or other termination of employment of the participant.

The 1996 Plan permits the granting of (i) stock options that qualify as "Incentive Stock Options" under the Code, (ii) options other than Incentive Stock Options ("Nonqualified Stock Options"), (iii) SARs granted either alone or in tandem with other awards under the 1996 Plan, (iv) restricted stock and restricted stock units, (v) performance awards, and (vi) other stock-based awards. The Company has reserved 12,000,000 shares of Common Equity (which may be either Common Stock or Class B Common Stock) to cover awards under the 1996 Plan.

The Board of Directors may amend, alter, or terminate the 1996 Plan at any time, provided that stockholder approval generally must be obtained for any change that would require stockholder approval under Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or any other regulatory or tax requirement that the Board deems desirable to comply with or obtain relief under and subject to the requirement that no rights under an outstanding award may be impaired by such action without the consent of the holder thereof. The Committee may amend or modify the terms of any outstanding award but only with the consent of the participant if such amendment would impair his rights. In the event of certain corporate transactions or events affecting the shares or the structure of the Company, the Committee may make certain adjustments as set forth in the 1996 Plan.

The 1996 Plan is not subject to any provision of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and is not qualified under Section 401(a) of the Code.

Options. On June 25, 1996, the Company granted options to purchase approximately 4,800,000 shares of Class B Common Stock under the 1996 Plan to all full-time employees of the Company who had at such time been continuously employed by the Company since January 1, 1996, as well as to certain employees of the Company, at the director level and above, who began employment with the Company at a later date. The exercise price of these options is $7.00 per share. These options, which are Incentive Stock Options to the extent permitted under the terms of the 1996 Plan and the Code, will vest as follows: (i) for officers of the Company, in four equal annual installments commencing on April 1, 1998, and (ii) for non-officers, in five equal annual installments commencing on April 1, 1997, in each case subject to continued employment with the Company.

Concurrently with the IPO, the Board of Directors granted options under the 1996 Plan to purchase approximately 5,200,000 shares of Common Stock to certain executive officers, employees, and Independent Directors of the Company. The exercise price of these options is equal to the initial public offering price. Of such options, options to purchase 3,400,000 shares were granted to Mr. Stead pursuant to the employment agreement described above. See "--Employment Agreements." Of the total options granted to Mr. Stead, options to purchase 200,000 shares vested immediately, and options to purchase an additional 1,600,000 shares will vest in four equal installments beginning April 1, 1998. The remaining options to purchase an additional 1,600,000 shares granted to Mr. Stead, as well as the options to purchase approximately 1,000,000 shares granted to other executive officers and employees of the Company, will vest over a fixed term, subject to continued employment with the Company; however, such options will vest earlier if the Company achieves certain performance criteria. The Company also has granted to the Independent Directors, concurrently with the IPO, options to purchase an aggregate of 180,000 shares of Common Stock at the initial public offering price. See "--Board of Directors --Compensation of Directors." The Company has also granted options to purchase an aggregate of approximately 635,000 shares of Common Stock to certain officers of the Company, in connection with the hiring or promotion of such officers. All of such options have an exercise price equal to the initial public offering price and otherwise have terms similar to those of the options granted in June 1996.

1996 Employee Stock Purchase Plan

The Company intends to make available to its employees the opportunity to purchase shares of Common Stock under its 1996 Employee Stock Purchase Plan (the "ESPP"). The ESPP was adopted by the Board of Directors and stockholders in October 1996. The ESPP is intended to qualify under Section 423 of the Code and permits eligible employees of the Company to purchase Common Stock through payroll deductions, provided that no employee may accrue the right to purchase more than $25,000 worth of stock under all employee stock purchase plans of the Company in any calendar year. Up to 1,000,000 shares of Common Stock will be initially available for sale under the ESPP. The amount of additional shares of Common Stock that will be made available for sale under the ESPP, if any, has not been determined. The initial offering period will commence on or about November 1, 1996 and will end on the last market trading day on or before December 31, 1998, and the right to purchase shares of Common Stock will accrue in an amount not to exceed $13,000 per employee during the offering period. The price of Common Stock offered under the initial offer under the ESPP will be 100% of the lower of the fair market value of the Common Stock on the first or last day of the offering period. The price of Common Stock offered under subsequent ESPP offerings,

the duration of which will be determined by the Committee, will be from 85% to 100% of the lower of the fair market value of the Common Stock on the first or last day of each offering period, as determined by the Committee. Employees may end their participation in the ESPP at any time during an offering period, and they will be paid their payroll deductions accumulated to date. Participation ends automatically on termination of employment with the Company.

Rights granted under the ESPP are not transferable by a participant other than by will, the laws of descent and distribution, or as otherwise provided under the ESPP.

The Board may amend or terminate the ESPP at any time. The ESPP will terminate in all events on the last business day in October 2006.

Executive Incentive Bonus Plan

All officers of the Company are eligible to participate in the Company's Executive Incentive Bonus Plan (the "Bonus Plan"). Pursuant to the Bonus Plan, officers receive bonus payments based on the Company's meeting or exceeding budgeted results, as well as individual achievement of previously agreed upon goals.

Rollover Plan; Incentive Stock Units

In connection with the Split-Off, Ingram Industries options held by the Company's employees and certain other Ingram Industries options and SARs were converted to the Rollover Stock Options. In addition, holders of approximately 300,000 Ingram Industries ISUs had the option to exchange a portion of their ISUs for the Rollover Stock Options. See "The Split-Off and the Reorganization--The Split-Off." Approximately 11,000,000 Rollover Stock Options are outstanding, with exercise prices ranging from $0.66 to $3.32 per share. See "The Split-Off and the Reorganization--The Split-Off." The majority of these options will be fully vested by the year 2000 and expire no later than ten years from the date of grant. These vested options generally become exercisable, if otherwise vested, upon the earlier of (i) nine months after the Split-Off or (ii) a public offering of the shares, in each case subject to the optionee's continued employment with any of the Company, Ingram Industries, or Ingram Entertainment.

Compensation Committee Interlocks and Insider Participation

The Board of Directors of the Company does not currently maintain a separate compensation committee. Historically, base compensation of officers of the Company, and Mr. Lacy's compensation under the Bonus Plan, has been determined by the Executive Compensation Committee of the Ingram Industries board of directors, which in 1995 consisted of E. Bronson Ingram, until his resignation from the Board in May, and Messrs. Lacy and Pfeffer. Mr. Lacy did not participate in the determination of his compensation. Compensation under the Bonus Plan for all officers of the Company other than Mr. Lacy was determined by the entire Board of Directors of the Company.

CERTAIN TRANSACTIONS

Historically, Ingram Industries has provided certain administrative services to the Company. The Company is allocated a portion of the costs of these administrative services. This allocation totaled $1.6 million, $2.4 million, $3.5 million, and $3.3 million in 1993, 1994, 1995, and the first three quarters of 1996, respectively. In connection with the Split-Off, the Company entered into the Transitional Service Agreements with Ingram Industries relating to the continued provision of certain administrative services. The Company believes that the terms of the Transitional Service Agreements are on a basis as favorable as those that would be obtained from third parties on an arm's length basis. The Transitional Service Agreements generally terminate on December 31, 1996, although payroll services under the Transitional Service Agreements will be provided through December 31, 1997. After such termination, the Company will be required to provide such services internally or find a third-party provider of such services.

Additionally, Ingram Industries has provided a large portion of the debt financing required by the Company in connection with its expansion. As of December 31, 1994, December 30, 1995, and September 28, 1996, $449.4 million, $673.8 million, and $479.7 million, respectively, was outstanding to Ingram Industries. Interest on such debt has been charged based on Ingram Industries' domestic weighted average cost of funds. See Note 6 of Notes to Consolidated Financial Statements. In connection with the Split-Off, the Company assumed Ingram Industries' accounts receivable securitization program in partial satisfaction of amounts due to Ingram Industries. The Company used borrowings under the Credit Facility to repay the remaining intercompany indebtedness to Ingram Industries, which was incurred for general corporate purposes, primarily working capital needs in connection with the expansion of the Company's business. The Company also used borrowings under the Credit Facility to repay outstanding revolving indebtedness related to amounts drawn by certain of the Company's subsidiaries, as participants in Ingram Industries' then existing $380 million credit facility, which terminated concurrently with the closing of the IPO. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources."

The Company leases certain office space near Buffalo, New York from a partnership owned by certain members of the Ingram family. The lease agreement expires January 31, 2013 and requires annual rental payments of approximately $1.6 million. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources." The Company currently subleases its facilities in Santa Ana, California and Harrisburg, Pennsylvania from Ingram Industries pursuant to a sublease which expires March 1, 2007. The sublease agreement requires annual

rental payments of approximately $2.1 million. In connection with the Reorganization, the Company intends to acquire ownership of these facilities for an aggregate amount of approximately $22.6 million. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources." The Company's lease for its distribution center in Millington, Tennessee was previously guaranteed by Ingram Industries. Certain of the Company's other leases were also guaranteed by Ingram Industries. Such guarantees were released in connection with the Split-Off.

The Company extended a loan during 1995 to one of its senior executive officers. This loan has been repaid in full. The largest aggregate amount outstanding at any time during 1995 was $450,000. This loan bore interest at the intercompany rate of interest paid by the Company to Ingram Industries.

In connection with the Split-Off, agreements relating to board representation and registration rights with respect to Common Stock held by the Ingram Family Stockholders (including shares of Common Stock issued upon conversion of Class B Common Stock) were entered into by the Company and the Ingram Family Stockholders. See "The Split-Off and the Reorganization."

THE SPLIT-OFF AND THE REORGANIZATION

Immediately prior to the closing of the IPO, Ingram Industries consummated the Split-Off. The Company, Ingram Industries, and Ingram Entertainment have also entered into certain agreements to effect the Reorganization. The following is a summary of certain of the material terms of the Split-Off.

The Split-Off

Immediately prior to the closing of the IPO, Ingram Industries consummated an exchange, under an Exchange Agreement (the "Exchange Agreement"), pursuant to which certain existing stockholders of Ingram Industries exchanged a specified number of their shares of Ingram Industries common stock for shares of Class B Common Stock of the Company of equivalent value to the shares of Ingram Industries so exchanged. The exchange of shares of Ingram Industries common stock for shares of Class B Common Stock of the Company, together with those elements of the Reorganization contemplated to occur prior to the closing of the IPO, are referred to herein as the "Split-Off." See "Principal Stockholders." Eligible stockholders who exchanged shares of Ingram Industries common stock eligible to be exchanged received 107,251,362 shares of Class B Common Stock. The exchange values were determined by the board of directors of Ingram Industries, which relied in part on an opinion of a financial advisor to the effect that the Split-Off was fair to all involved parties. In the Exchange Agreement, the Company covenants that, during the two-year period following the Split-Off, it will not (i) liquidate, merge, or consolidate with any other person, or sell, exchange, distribute, or dispose of any material asset other than in the ordinary course of business, (ii) with certain limited exceptions, redeem or reacquire any of its capital stock transferred in the Split-Off, (iii) cease to conduct the principal active trade or business conducted by it during the five years immediately preceding the Split-Off, or (iv) otherwise take any actions inconsistent with the facts and representations set forth in the private letter ruling from the U.S. Internal Revenue Service (the "IRS") regarding certain federal income tax consequences of the Reorganization and the Split-Off, in each case unless it first obtains an opinion from recognized tax counsel or a ruling from the IRS that such action will not affect the qualification of the transactions contemplated by the Exchange Agreement for tax-free treatment. All such covenants were necessary to obtain the private letter ruling from the IRS. After the Split-Off, Ingram Entertainment continues to be a wholly-owned subsidiary of Ingram Industries. Although there can be no assurance, it is contemplated that, pursuant to the Exchange Agreement, on or after June 20, 1997, certain remaining stockholders of Ingram Industries will exchange their remaining shares of Ingram Industries common stock for shares of Ingram Entertainment common stock.

Certain outstanding Ingram Industries options and SARs were converted to, and certain Ingram Industries ISUs were exchanged for, the Rollover Stock Options. The exchange values for these options, SARs, and ISUs are primarily based on the exchange value for the underlying common stock. The option, SAR, and ISU exchange values were determined by the board of directors of Ingram Industries in accordance with the respective plans under which they were issued. The total number of Rollover Stock Options outstanding are exercisable for approximately 11,000,000 shares of Common Stock. See "Management--Rollover Plan; Incentive Stock Units."

The Company and the Ingram Family Stockholders entered into the Board Representation Agreement. So long as the Ingram Family Stockholders and their permitted transferees (as defined in the Board Representation Agreement) own in excess of 25,000,000 shares of the outstanding Common Equity, the Board Representation Agreement will provide for the designation of (i) not more than three directors designated by the Ingram Family Stockholders, (ii) one director designated by the Chief Executive Officer of the Company, and (iii) four or five additional Independent Directors (collectively, the "Designated Nominees").

The Ingram Family Stockholders will be required to vote their shares of Common Equity for the election of the Designated Nominees. In addition, certain types of corporate transactions, including transactions involving the potential sale or merger of the Company; the issuance of additional equity, warrants, or options; acquisitions involving aggregate consideration in excess of 10% of the Company's stockholders' equity; any guarantee of indebtedness of an entity other than a subsidiary of the Company exceeding 5% of the Company's stockholders' equity; and the incurrence of indebtedness in a transaction which could reasonably be expected to reduce the

Company's investment rating (i) lower than one grade below the rating in effect immediately following the IPO or (ii) below investment grade, may not be entered into without the written approval of at least a majority of the voting power deemed to be held (for purposes of the Board Representation Agreement) by certain of the Ingram Family Stockholders, acting in their sole discretion.

The Board Representation Agreement will terminate on the date on which the Ingram Family Stockholders and their permitted transferees collectively cease to beneficially own at least 25,000,000 shares of the Common Equity of the Company (as such number may be equitably adjusted to reflect stock splits, stock dividends, recapitalization, and other transactions in the capital stock of the Company). All decisions for the Ingram Family Stockholders that are trusts or foundations will be made by the trustees thereof, who in some cases are members of the Ingram family.

The Ingram Family Stockholders and the other stockholders of Ingram Industries who received shares of Class B Common Stock in the Split-Off entered into a registration rights agreement (the "Registration Rights Agreement") which grants the E. Bronson Ingram QTIP Marital Trust (the "QTIP Trust") demand registration rights following the closing of the IPO. Such demand registration rights may be exercised with respect to all or any portion (subject to certain minimum thresholds) of the shares of Class B Common Stock owned by the QTIP Trust, one or more of the other Ingram Family Stockholders and certain of their permitted transferees on up to three occasions during the 84-month period following the closing of the IPO; provided that the Company shall not be obligated to effect (i) any registration requested by the QTIP Trust unless the QTIP Trust has furnished the Company with an opinion of counsel to the effect that such registration and any subsequent sale will not affect the tax-free nature of the Split-Off or (ii) more than one demand registration during any 12-month period.

The Registration Rights Agreement also grants one demand registration right (subject to certain minimum thresholds) to members of the Ingram family (which may only be exercised during the 84-month period following the closing of the IPO) and one demand registration right to certain minority stockholders of the Company if a change of control of the Company occurs following the closing of the IPO but prior to the second anniversary of the Split-Off Date. The minority stockholders will not be entitled to this registration right if they were offered the opportunity to participate in the change of control transaction.

The Registration Rights Agreement restricts the exercise by any party thereto of a demand registration right, and provides that the Company will not grant any registration rights to any other person that are more favorable than those granted pursuant to the Registration Rights Agreement or that provide for the exercise of demand registration rights sooner than three months following a public offering in which such person was entitled to include its shares, unless the number of shares requested to be included in such public offering exceeded 125% of the number of shares actually included.

In addition, the Registration Rights Agreement provides that the parties thereto shall be entitled to unlimited "piggyback" registration rights in connection with any proposed registration of equity securities by the Company (with certain specified exceptions) during the 84-month period following the completion of the IPO. Employees who received shares in the Employee Offering, and persons who have exercised Rollover Stock Options, are bound by the provisions of the Registration Rights Agreement as if such employees were parties thereto, and are entitled to the "piggyback" registration rights provided therein, with respect to the portion of their shares of Class B Common Stock that is no longer subject to restrictions.

The Registration Rights Agreement contains provisions regarding reduction of the size of an offering that has been determined by the underwriters to have exceeded its maximum potential size and contains certain customary provisions, including those relating to holdback arrangements, registration procedures, indemnification, contribution and payment of fees and expenses.

Pursuant to an agreement (the "Thrift Plan Liquidity Agreement") with the Ingram Thrift Plan, which received 10,007,000 shares of Class B Common Stock in the Split-Off, during the 90-day period following each of (i) the closing of the IPO and (ii) the first anniversary of the closing of the IPO the Company may elect to file a registration statement under the Securities Act covering such number of shares as are required to be sold by the Ingram Thrift Plan in order to comply with the requirements of ERISA or are necessary to fund distributions to Ingram Thrift Plan participants ("Registrable Securities"). If a registration statement covering the Registrable Securities has not become effective during either such 90-day period, the Ingram Thrift Plan may elect to sell any of such Registrable Securities to the Company during the 90-day period thereafter at the then-current fair market value of the Common Stock; provided that the Company's obligation in any fiscal year to purchase shares not required to fund distributions by the Ingram Thrift Plan will be limited to the lesser of $10,000,000 or 3% of the Company's stockholders' equity as of the beginning of such fiscal year. In addition, the Ingram Thrift Plan may elect to sell to the Company one time each calendar month, such number of shares as are necessary to fund distributions to Ingram Thrift Plan participants, except during such periods when the Company has notified the Ingram Thrift Plan of the filing of a registration statement covering Registrable Securities or when such a registration statement is effective. The Company will not be obligated to make any repurchase pursuant to the Thrift Plan Liquidity Agreement if it determines that to do so would adversely affect the tax-free nature of the Split-Off or if such repurchase would be prohibited by a credit facility of the Company. Of the 10,007,000 shares of Class B Common Stock to be received by the Ingram Thrift Plan, 9,207,000 shares are subject to a lock-up agreement

in connection with the IPO. See "Shares Eligible for Future Sale." The registration statement of which this Prospectus forms a part is intended to fulfill the Company's obligation pursuant to clause (i) above.

The Reorganization

Prior to the Split-Off, the Company was a subsidiary of Ingram Industries, a company controlled by the Ingram Family Stockholders. Ingram Industries is engaged in various businesses, including inland marine transportation; the production and transport of specification commercial sand; insurance; and the distribution of books, prerecorded video cassettes, laser discs, video games, and spoken-word audio cassettes. The businesses of the Company, Ingram Industries, and Ingram Entertainment (each, an "Ingram Company") and their respective subsidiaries are being reorganized as described below. In conjunction with the Split-Off, the Company assumed Ingram Industries' accounts receivable securitization program in partial satisfaction of amounts due to Ingram Industries. The Company repaid the remaining intercompany indebtedness with borrowings under the Credit Facility. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources."

Pursuant to a reorganization agreement (the "Reorganization Agreement"), each Ingram Company has agreed to retain or assume, at the time of the Reorganization, certain liabilities and obligations, including the following: (i) liabilities and obligations incurred by such Ingram Company (other than certain general corporate level liabilities of Ingram Industries) with respect to periods ending on or prior to the closing of the Split-Off, other than liabilities or obligations arising as a result of any intentional act which is tortious or as a result of any illegal act (each, a "Designated Action") committed by (x) a corporate officer of Ingram Industries (except for actions that are believed by such person to be in furtherance of his duties as an officer or employee of the Company, Ingram Entertainment, or their respective subsidiaries, or the other subsidiaries or business operating units of Ingram Industries), (y) any other employee of Ingram Industries whose responsibilities are not primarily associated with the Company, Ingram Entertainment, or their respective subsidiaries, or the other subsidiaries or business operating units of Ingram Industries or (z) an employee (other than general corporate level employees of Ingram Industries) of any other Ingram Company; (ii) liabilities and obligations (other than general corporate level liabilities of Ingram Industries) incurred by any other Ingram Company with respect to periods ending on or prior to the closing of the Split-Off as a result of any Designated Action committed by an employee of any such Ingram Company or certain subsidiaries or business operating units of such Ingram Company; (iii) in the case of Ingram Industries, certain general corporate level liabilities and obligations up to an aggregate of $100,000 incurred by Ingram Industries with respect to certain periods ending on or prior to the closing of the Split-Off and recorded under Ingram Industries' internal accounting system as "home office" liabilities, to the extent that such liabilities and obligations are extraordinary in nature and arise out of the ordinary course of business and were not accrued on Ingram Industries' year end 1995 balance sheet; (iv) specified liabilities and obligations related to certain asset dispositions and the settlement of certain claims; and (v) liabilities and obligations incurred by such Ingram Company with respect to periods beginning after the closing of the Split-Off. In addition, certain contingent assets or liabilities, as well as fees and costs incurred in connection with the Split-Off, will be shared 23.01% by Ingram Industries, 72.84% by the Company, and 4.15% by Ingram Entertainment. These contingent liabilities include (i) liabilities and obligations arising as a result of any Designated Action committed by a corporate officer of Ingram Industries (except for actions that are believed by such person to be in furtherance of his duties as an officer or employee of the Company, Ingram Entertainment, or their respective subsidiaries or other designated affiliates, or the other subsidiaries or designated affiliates of Ingram Industries), or any other employee of Ingram Industries whose responsibilities are not primarily associated with the Company, Ingram Entertainment, or their respective subsidiaries, or the other subsidiaries or business operating units of Ingram Industries; (ii) certain general corporate level liabilities and obligations, if the aggregate of such liabilities and obligations incurred by Ingram Industries exceeds $100,000, incurred by Ingram Industries with respect to periods ending on or prior to the closing of the Split-Off and recorded under Ingram Industries' internal accounting system as "home office" liabilities, to the extent that such liabilities and obligations are extraordinary and non-recurring in nature and arise out of the ordinary course of business and were not accrued on Ingram Industries' 1995 balance sheet; (iii) certain liabilities and obligations incurred by Ingram Industries in respect of specified individuals pursuant to certain deferred compensation plans of Ingram Industries; and (iv) assets, liabilities, and obligations arising in connection with certain specified asset dispositions. The Company will not be responsible for any liabilities except to the extent that the Company's share of such liabilities, fees or costs and certain other amounts (net of any contingent assets) exceeds, in the aggregate, $20,778,000. The Company currently believes that any such liabilities, fees, or costs will be largely offset by other amounts due from Ingram Industries. However, there can be no assurance that further payments, which could be material, will not be required in the future.

Pursuant to the Reorganization Agreement, each Ingram Company agreed to conduct its business, from the date of the Reorganization Agreement until the closing of the Split-Off, in the ordinary course of business consistent with past practice. The Reorganization Agreement required the Company, at or prior to the closing of the Split-Off, to enter into bank repurchase agreements with respect to securities of the Company received in connection with the Exchange Agreement in exchange for shares of Ingram Industries common stock previously held as collateral for certain loans made to stockholders of Ingram Industries. If securities of Ingram Industries are exchanged for securities of Ingram Entertainment, as contemplated in "-- The Split-Off" above, Ingram Entertainment has agreed to enter into similar

agreements with respect to such securities.

Pursuant to the Reorganization Agreement, each Ingram Company has agreed to indemnify each other Ingram Company from any and all damage, loss, liability, and expense incurred as a result of any breach by such party of any covenant or agreement pursuant to the Reorganization Agreement or the failure by such party to perform its obligations with respect to any liability retained or assumed by such party pursuant to the Reorganization Agreement.

The Ingram Companies have also entered into an employee benefits transfer and assumption agreement (the "Employee Benefits Agreement"). The Employee Benefits Agreement provides for the allocation of employee benefit assets and liabilities generally on a pro rata basis in respect of each Ingram Company's current and former employees. Each Ingram Company will indemnify the other parties with respect to such party's benefit-related assumed or retained assets and liabilities.

In connection with the Reorganization, the Ingram Companies entered into a tax sharing and tax services agreement (the "Tax Sharing Agreement"). Under the Tax Sharing Agreement, the Company agreed that it will be liable for (i) its allocable share of the consolidated federal income tax liability and any consolidated state income tax liability for the year that includes the Split-Off and (ii) generally, 72.84% of any adjustment in excess of reserves already established by Ingram Industries for federal or state income tax liabilities of Ingram Industries, Ingram Entertainment, or the Company (x) relating to tax periods ending on or prior to the Split-Off or (y) resulting from a failure (other than due to a breach of certain representations or covenants) of either the Split-Off or the subsequent exchange of securities of Ingram Industries for securities of Ingram Entertainment to qualify for tax-free treatment. However, no liability with respect to the subsequent exchange involving Ingram Entertainment will be allocated to the Company if such exchange is not completed in accordance with the provisions of the Exchange Agreement or if the facts and circumstances of such exchange are materially different from those on which the private letter ruling received by Ingram Industries (see "The Split-Off and the Reorganization -- Conditions to the Split-Off") is based, unless a supplemental private letter ruling reasonably satisfactory to the Company addressing such differences is obtained prior to such exchange. Subject to certain consultation rights and certain limited rights on the part of the Company to consent to a settlement, Ingram Industries will have the right to control any audit or proceeding relating to the Company for periods ending prior to the Split-Off. The Company will share in any refunds received in respect of the carryback of any future tax losses or credits it may suffer or receive. In addition, Ingram Industries and Ingram Entertainment have each agreed that, upon the exercise by one of its employees of an option granted in connection with the Split-Off, it will pay the Company an amount equal to the tax benefit, if any, received from any compensation deduction in respect of such exercise. Furthermore, if the Split-Off or the contemplated exchange of Ingram Entertainment common stock fails to qualify for tax-free treatment as a result of a breach by one of the Ingram Companies of specified representations or covenants contained in the Exchange Agreement, any resulting deficiency will be borne by such breaching Ingram Company.

In addition, until 1999, the Company will provide data processing services to Ingram Industries and Ingram Entertainment for a fee to be determined. The Ingram Companies have also entered into the Transitional Service Agreements relating to the continued provision of certain administrative services (including cash management, insurance, employee benefits, and payroll administration). The Transitional Service Agreements are believed to be on terms as favorable as those that would be obtained from third parties on an arm's length basis.

Conditions to the Split-Off

The Split-Off was subject to the satisfaction or waiver of certain conditions including, without limitation, (i) receipt of a private letter ruling from the IRS satisfactory to Ingram Industries and certain of the Ingram Family Stockholders as to the tax-free nature of the Split-Off and a determination by the board of directors of Ingram Industries and each of the Ingram Family Stockholders that nothing has come to their attention that causes them to conclude that significant questions exist as to the validity of the ruling as applied to the Reorganization or the Split-Off; (ii) the absence of any law, judgment, injunction, order or decree which prohibits consummation of the Split-Off; (iii) the effectiveness of certain ancillary agreements; (iv) receipt of required regulatory approvals and third-party consents; (v) consummation of the scheduled refinancing and assumption of debt; and (vi) settlement of intercompany receivables and payables. On October 16, 1996, Ingram Industries received from the IRS a private letter ruling as to the tax-free nature of the Split-Off. The Exchange Agreement was terminable by the board of directors of Ingram Industries or the holders of a majority of the outstanding shares of Ingram Industries common stock at any time prior to the closing of the Split-Off.

SELLING STOCKHOLDER

The Ingram Thrift Plan is the beneficial owner of 10,007,000 shares of Class B Common Stock, representing approximately 9.1% of the outstanding Class B Common Stock of the Company (and 8.9% of the outstanding voting power). Pursuant to the Thrift Plan Liquidity Agreement, the Company has agreed to register the sale of certain of the shares held by the Ingram Thrift Plan, or alternatively to purchase such shares from the Ingram Thrift Plan. The registration statement of which this Prospectus forms a part relates to 800,000 of the shares held by the Ingram Thrift Plan (that portion not subject to a lock-up agreement in connection with the IPO). See "The Split-Off and the Reorganization--The Split-Off" and "Shares Eligible for Future Sale."

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information, as of September 28, 1996, as adjusted for (i) the Split-Off and (ii) the issuance of the Common Stock offered in the IPO as if such transactions had occurred on September 28, 1996, with respect to the beneficial ownership of each class of the Common Equity by (a) each person known by the Company to own beneficially more than five percent of the outstanding shares of either class of the Common Equity; (b) each director; (c) each of the Named Executive Officers; and (d) all executive officers and directors of the Company as a group. This table does not reflect the sale by the Ingram Thrift Plan of any of the 800,000 shares of Common Stock offered hereby. Any such sales would decrease the number of shares of Class B Common Stock outstanding and increase the number of shares of Class A Common Stock outstanding held by the public. See "Management," "Certain Transactions," "The Split-Off and the Reorganization," and "Selling Stockholder."

	Class B Common Stock		Common Stock(1)		Common Equity
Name	Shares Beneficially Owned	Percentage of Class	Shares Beneficially Owned	Percentage of Class	Percentage of Total Voting Power
E. Bronson Ingram QTIP Marital Trust(2)(3)	69,099,259	62.9%	--	--	61.6%
Ingram Thrift Plan(2)	10,007,000	9.1	--	--	8.9
David B. Ingram(2)(3)	72,377,210(4)(5)	65.9	8,580(6)(7)	*	64.5
Robin Ingram Patton(2)(3)	71,646,916(4)(5)	65.2	--(7)	--	63.9
Orrin H. Ingram(2)(3)	73,157,670(4)(5)	66.6	68,644(6)(7)	*	65.2
Roy E. Claverie(2)	10,859,083(4)(8)	9.9	150,000(6)(7)	*	9.7
SunTrust Bank, Atlanta(9)	12,115,391	11.0	--	--	10.8
Jerre L. Stead	--	--	400,000(10)	1.7%	*
Jeffrey R. Rodek	285,000	*	--	--	*
David R. Dukes	65,000	*	73,277(6)	*	*
Sanat K. Dutta	85,000	*	37,410(6)	*	*
John Wm. Winkelhaus, II	85,000	*	42,559(6)	*	*
Martha R. Ingram(3)	83,740,788(4)(5)	76.3	--(7)	--	74.7
John R. Ingram(3)	71,875,978(4)(5)	65.5	33,633(6)(7)	*	64.1
Philip M. Pfeffer	1,972,476(5)	1.8	21,250(6)	*	1.8
J. Phillip Samper	--	--	--	--	--
Joe B. Wyatt	--	--	193,065(6)	*	*
Don H. Davis, Jr.	--	--	--	--	--
All executive officers and directors as a group (24 persons)(3)(11)	91,067,943(4)(5)	82.9	1,148,537(6)(7)	4.8	81.2
Linwood A. (Chip) Lacy, Jr.	1,390,062	1.3	110,500(6)	*	1.2

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* Less than one percent.

(1) Excludes each stockholder's beneficial ownership of Class B Common Stock, which may be converted into Class A Common Stock at any time, at the option of the holder. See "Description of Capital Stock."

(2) The address for the indicated parties is: c/o Ingram Industries Inc., One Belle Meade Place, 4400 Harding Road, Nashville, Tennessee 37205.

(3) David B. Ingram, Robin Ingram Patton, Orrin H. Ingram, John R. Ingram, and Martha R. Ingram are trustees of the QTIP Trust, and accordingly could each be deemed to be the beneficial owner of the shares held by the QTIP Trust.

(4) Includes 71,286,290; 71,266,588; 71,286,290; 10,387,004; 71,286,290; 81,702,786; and 83,870,115 shares, for David B. Ingram, Robin Ingram Patton, Orrin H. Ingram, Roy E. Claverie, John R. Ingram, Martha R. Ingram, and all executive officers and directors as a group, respectively, which shares are held by various trusts or foundations of which these individuals are trustees. Such individuals could each be deemed to be the beneficial owner of the shares held by such trusts of which he or she is a trustee.

(5) Excludes for David B. Ingram 5,132,080 shares held by one or more trusts of which he and/or his children are beneficiaries; for Robin Ingram Patton 2,932,917 shares held by one or more trusts of which she is a beneficiary; for Orrin H. Ingram 1,441,856 shares held by one or more trusts of which he and/or his children are beneficiaries; for John R. Ingram 2,732,815 shares held by one or more trusts of which he and/or his children are beneficiaries; for Mr. Lacy 223,097 shares held by a trust of which his children are beneficiaries; for Mr. Pfeffer 234,348 shares held by his children or one or more trusts of which his children are beneficiaries; and for Mr. Claverie 244,912 shares held by his children or one or more trusts of which he and/or his children are beneficiaries. Each such individual disclaims beneficial ownership as to such shares.

(6) Represents Rollover Stock Options exercisable within 60 days of the date of the table for shares of Common Stock.

(7) Excludes 246,000 shares of Common Stock purchased by Ingram Industries in the IPO (including 15,000 shares purchased by Ingram Industries' subsidiary Ingram Entertainment). As principal stockholders of Ingram Industries, the indicated stockholders may be deemed to be beneficial owners of the shares held by Ingram Industries.

(8) Includes 10,007,000 shares held by the Ingram Thrift Plan. Mr. Claverie may be deemed to be the beneficial owner of such shares, because he is a trustee of the Ingram Thrift Plan.

(9) The address for SunTrust Bank, Atlanta ("SunTrust") is 25 Park Place, NE, Atlanta, Georgia 30303. All shares are held by SunTrust as trustee for certain individuals. SunTrust and certain of its affiliates may be deemed beneficial owners of such shares; however, SunTrust and such affiliates disclaim any beneficial interest in such shares.

(10) Includes options to purchase 200,000 shares of Common Stock, which represent the immediately exercisable portion of the options granted to Mr. Stead effective upon the closing of the IPO. See "Management--1996 Plan--Options."

(11) Excludes shares beneficially owned by Mr. Lacy, the Company's former Chief Executive Officer and former Chairman of the Board of Directors.

DESCRIPTION OF CAPITAL STOCK

The authorized capital stock of the Company consists of 265,000,000 shares of Class A Common Stock, par value $0.01 per share, of which 23,200,000 shares were issued and outstanding upon the closing of the IPO, and 135,000,000 shares of Class B Common Stock, par value $0.01 per share, of which 109,813,762 shares were issued and outstanding upon the closing of the Split-Off. In addition, the Company's Certificate of Incorporation (the "Certificate of Incorporation") authorizes the issuance by the Company of up to 1,000,000 shares of preferred stock, par value $0.01 per share (the "Preferred Stock"), on terms determined by the Company's Board of Directors. Additionally, any shares of Common Stock (a maximum of 800,000 shares) sold in this offering will increase the number of shares of Common stock outstanding and reduce the number of shares of Class B Common Stock outstanding. The following description is a summary of the capital stock of the Company and is subject to and qualified in its entirety by reference to the provisions of the Certificate of Incorporation and the Amended and Restated Bylaws (the "Bylaws") of the Company, which are included as exhibits to the Registration Statement of which this Prospectus forms a part.

Common Equity

The shares of Common Stock and Class B Common Stock are identical in all respects, except for voting rights and certain conversion rights, as described below.

Voting Rights. Each share of Common Stock entitles the holder to one vote on each matter submitted to a vote of the Company's stockholders, including the election of directors, and each share of Class B Common Stock entitles the holder to ten votes on each such matter. Except as required by applicable law, holders of the Common Stock and Class B Common Stock vote together as a single class on all matters submitted to a vote of the stockholders of the Company. There is no cumulative voting. See "Risk Factors--Control by Ingram Family Stockholders."

Subject to New York Stock Exchange requirements, for so long as there are any shares of Class B Common Stock outstanding, any action that may be taken at a meeting of the stockholders may be taken by written consent in lieu of a meeting if the Company receives consents signed by stockholders having the minimum number of votes that would be necessary to approve the action at a meeting at which all shares entitled to vote on the matter were present and voted. This could permit certain holders of Class B Common Stock to take action regarding certain matters without providing other stockholders the opportunity to voice dissenting views or raise other matters. The right to take such action by written consent of stockholders will expire at such time as all outstanding shares of Class B Common Stock cease to be outstanding.

Dividends, Distributions and Stock Splits. Holders of Common Stock and Class B Common Stock are entitled to receive dividends at the same rate if, as, and when such dividends are declared by the Board of Directors out of assets legally available therefor after payment of dividends required to be paid on shares of Preferred Stock, if any.

In the case of dividends or distributions payable in Common Stock or Class B Common Stock, only shares of Common Stock will be distributed with respect to the Common Stock and only shares of Class B Common Stock will be distributed with respect to the Class B Common Stock. In the case of dividends or other distributions consisting of other voting shares of the Company, the Company will declare and pay such dividends in two separate classes of such voting securities, identical in all respects, except that the voting rights of each such security paid to the holders of the Common Stock shall be one-tenth of the voting rights of each such security paid to the holders of Class B Common Stock, and such security paid to the holders of Class B Common Stock shall convert into the security paid to the holders of the Common Stock upon the same terms and conditions applicable to the Class B Common Stock. In the case of dividends or other distributions consisting of securities convertible into, or exchangeable for, voting securities of the Company, the Company will provide that such convertible or exchangeable securities and the underlying securities be identical in all respects, except that the voting rights of each security underlying the convertible or exchangeable security paid to the holders of the Common Stock shall be one-tenth of the voting rights of each security underlying the convertible or exchangeable security paid to the holders of Class B Common Stock, and such underlying securities paid to the holders of Class B Common Stock shall convert into the security paid to the holders of the Common Stock upon the

same terms and conditions applicable to the Class B Common Stock.

Neither the Common Stock nor the Class B Common Stock may be subdivided or combined in any manner unless the other class is subdivided or combined in the same proportion.

Conversion. The Common Stock has no conversion rights.

The Class B Common Stock is convertible into Common Stock, in whole or in part, at any time and from time to time at the option of the holder, on the basis of one share of Common Stock for each share of Class B Common Stock converted. Each share of Class B Common Stock will also automatically convert into one share of Common Stock upon the earliest to occur of (i) the fifth anniversary of the closing of the Split-Off; (ii) the sale or transfer of such share of Class B Common Stock (a) by a holder that is a party to the Board Representation Agreement to any person that is not an affiliate, spouse or descendant of such holder, their estates or trusts for their benefit or any other party to the Exchange Agreement or (b) by any other holder, to a holder that is not the spouse or descendant of such holder or their estates or trusts for the benefit thereof; and (iii) the date on which the number of shares of Class B Common Stock then outstanding is less than 25% of the aggregate number of shares of Common Equity then outstanding.

Liquidation. In the event of any dissolution, liquidation, or winding up of the affairs of the Company, whether voluntary or involuntary, after payment of the debts and other liabilities of the Company and making provision for the holders of Preferred Stock, if any, the remaining assets of the Company will be distributed ratably among the holders of the Common Stock and the Class B Common Stock, treated as a single class.

Mergers and Other Business Combinations. Upon a merger, combination, or other similar transaction of the Company in which shares of Common Equity are exchanged for or changed into other stock or securities, cash and/or any other property, holders of each class of Common Equity will be entitled to receive an equal per share amount of stock, securities, cash, and/or any other property, as the case may be, into which or for which each share of any other class of Common Equity is exchanged or changed; provided that in any transaction in which shares of capital stock are distributed, such shares so exchanged for or changed into may differ as to voting rights and certain conversion rights to the extent and only to the extent that the voting rights and certain conversion rights of Common Stock and Class B Common Stock differ at that time.

Other Provisions. The holders of the Common Stock and Class B Common Stock are not entitled to preemptive rights. There are no redemption provisions or sinking fund provisions applicable to the Common Stock or the Class B Common Stock.

Preferred Stock

The Board of Directors is authorized, subject to any limitations prescribed by the DGCL, or the rules of any quotation system or national securities exchange on which stock of the Company may be quoted or listed, to provide for the issuance of shares of Preferred Stock in one or more series; to establish from time to time the number of shares to be included in each such series; to fix the rights, powers, preferences, and privileges of the shares of each series and any qualifications and restrictions thereon; and, to the extent permitted by the DGCL, to increase or decrease the number of shares of such series, without any further vote or action by the stockholders. Depending upon the terms of the Preferred Stock established by the Board of Directors, any or all series of Preferred Stock could have preference over the Common Stock with respect to dividends and other distributions and upon liquidation of the Company or could have voting or conversion rights that could adversely affect the holders of the outstanding Common Stock. The Company has no present plans to issue any shares of Preferred Stock.

Limitation of Liability; Indemnification

As permitted by the DGCL, the Certificate of Incorporation provides that directors of the Company shall not be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director to the fullest extent permitted by the DGCL (which currently provides that such liability may be so limited, except for liability (i) for any breach of the director's duty of loyalty to the Company or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, (iii) under Section 174 of the DGCL, relating to prohibited dividends or distributions or the repurchase or redemption of stock, or (iv) for any transaction from which the director derives an improper personal benefit).

Each person who is or was a party to any action by reason of the fact that such person is or was a director or officer of the Company shall be indemnified and held harmless by the Company to the fullest extent permitted by the DGCL. This right to indemnification also includes the right to have paid by the Company the expenses incurred in connection with any such proceeding in advance of its final disposition, to the fullest extent permitted by the DGCL. In addition, the Company may, by action of the Board of Directors, provide indemnification to such other employees and agents of the Company to such extent as the Board of Directors determines to be appropriate under the DGCL.

As a result of this provision, the Company and its stockholders may be unable to obtain monetary damages from a director for breach of his duty of care. Although stockholders may continue to seek injunctive or other equitable relief for an alleged breach of fiduciary duty by a director, stockholders may not have any effective remedy against the challenged conduct

if equitable remedies are unavailable. The Company also reserves the right to purchase and maintain directors' and officers' liability insurance.

Other Certificate of Incorporation and Bylaw Provisions

The Bylaws provide that a majority of the total number of directors shall constitute a quorum for the transaction of business. The Board of Directors may act by unanimous written consent. The Board Representation Agreement contains additional provisions relating to corporate governance. See "The Split-Off and the Reorganization -- The Split-Off."

Annual meetings of stockholders shall be held to elect the Board of Directors and transact such other business as may be properly brought before the meeting. Special meetings of stockholders may be called by the chairman and shall be called by the secretary on the written request of stockholders having 10% of the voting power of the Company. The stockholders may act by written consent in lieu of a meeting of stockholders until such time as all shares of Class B Common Stock cease to be outstanding.

The Certificate of Incorporation may be amended with the approval of the Board of Directors (by the vote required as described above), and for so long as any shares of Class B Common Stock remain outstanding, in addition to any vote required by law, any such amendment also requires the approval of the holders of a majority of the Company's outstanding voting power and a majority of the members of the Board of Directors. However, any amendment to the provisions of the Certificate of Incorporation relating to the Common Equity also requires the consent of a majority of the outstanding voting power held by the Ingram Family Stockholders. The Bylaws may be amended with the approval of three-quarters of the entire Board of Directors or by the holders of 75% of the Company's voting power present and entitled to vote at any annual or special meeting of stockholders at which a quorum is present.

The number of directors which shall constitute the whole Board of Directors shall be fixed by resolution of the Board of Directors. The number of directors shall be eight or nine. The size of the initial Board is fixed at eight members, but may be increased to nine in accordance with the Board Representation Agreement. The vote of a majority of the entire Board is required for all actions of the Board. The directors shall be elected at the annual meeting of the stockholders, except for filling vacancies. Directors may be removed with the approval of the holders of a majority of the Company's voting power present and entitled to vote at a meeting of stockholders. Vacancies and newly created directorships on the Board of Directors resulting from any increase in the number of directors may be filled by a majority of the directors then in office, although less than a quorum, a sole remaining director, or the holders of a majority of the voting power present and entitled to vote at a meeting of stockholders. So long as the Ingram Family Stockholders and their permitted transferees own at least 25,000,000 shares of the Common Equity, the Bylaws will provide for the appointment of the Designated Nominees.

The presence, in person or by proxy, of the holders of a majority of the votes entitled to be cast by the stockholders entitled to vote generally, shall constitute a quorum for stockholder action at any meeting.

Section 203 of the DGCL

The Company is subject to Section 203 of the DGCL which, subject to certain exceptions, prohibits a Delaware corporation from engaging in a business combination (as defined therein) with an "interested stockholder" (defined generally as any person who beneficially owns 15% or more of the outstanding voting stock of the Company or any person affiliated with such person) for a period of three years following the date that such stockholder became an interested stockholder, unless (i) prior to such date the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder; (ii) upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation at the time the transaction commenced (excluding for purposes of determining the number of shares outstanding those shares owned (a) by directors who are also officers of the corporation and (b) by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer); or (iii) on or subsequent to such date the business combination is approved by the board of directors of the corporation and authorized at a meeting of stockholders by the affirmative vote of at least 66 2/3% of the outstanding voting stock of the corporation not owned by the interested stockholder.

Transfer Agent

The transfer agent and registrar for the Common Stock is First Chicago Trust Company of New York.

SHARES ELIGIBLE FOR FUTURE SALE

Assuming the sale of all of the shares of Common Stock being offered hereby, upon the closing of this offering, the Company will have outstanding an aggregate of 24,000,000 shares of Common Stock and 109,013,762 shares of Class B Common Stock. Additionally, any shares of Common Stock sold pursuant to the Rollover S-1 will be outstanding (a maximum of 2,867,374 shares). Of the total outstanding shares of Common Equity, only the shares of Common Stock will be freely tradable without restriction or further registration under the Securities Act, unless purchased by "affiliates" of the Company, as that term is defined in Rule 144 under the Securities Act (which sales would be subject to certain volume limitations and other restrictions described below).

The remaining shares of Common Equity held by existing stockholders upon completion of the IPO are "restricted securities" as that term is defined in Rule 144 under the Securities Act. In general, under Rule 144 as currently in effect, a person (or persons whose shares are aggregated), including an affiliate, who has beneficially owned shares for at least two years (including, if the shares are transferred, the holding period of any prior owner except an affiliate) is entitled to sell in "broker's transactions" or to market makers, within any three-month period commencing 90 days after the date of the IPO, a number of shares that does not exceed the greater of (i) 1% of the then outstanding shares of such class of the Common Equity (approximately 1,090,138 shares immediately after this offering) or (ii) generally, the average weekly trading volume in such class of the Common Stock during the four calendar weeks preceding the filing of a Form 144 with respect to such sale, and subject to certain other limitations and restrictions. In addition, a person who is not deemed to have been an affiliate of the Company at any time during the three months preceding a sale, and who has beneficially owned the shares proposed to be sold for at least three years, would be entitled to sell such shares under Rule 144(k) without regard to the volume and other requirements described above. Shares of Common Equity that would otherwise be deemed "restricted securities" could be sold at any time through an effective registration statement relating to such shares of Common Equity.

Of the 109,013,762 shares of Class B Common Stock outstanding as of the closing of this offering, 2,562,400 shares were acquired in July 1996 pursuant to the Employee Offering and the concurrent grant of restricted stock awards, and 106,451,362 shares were acquired pursuant to the Split-Off. Under current law, absent registration or an exemption from registration other than Rule 144, (a) no shares of Class B Common Stock will be eligible for sale as of October 31, 1996; (b)106,451,362 shares of Class B Common Stock will be eligible for sale two years from the effective date of the Split-Off, and (c) the 2,562,400 shares of Class B Common Stock sold in the Employee Offering in July 1996 (or granted concurrently therewith) and not repurchased or forfeited will be eligible for sale upon the later of (i) July 1998 and (ii) for those shares pledged to secure purchase money loans for such shares, two years after the release of such pledge. In addition, the 2,562,400 shares of Class B Common Stock issued in July 1996 are subject to contractual vesting restrictions, which restrictions begin to lapse in April 1998.

Pursuant to the Registration Rights Agreement, the QTIP Trust, which after the Split-Off holds 69,099,259 shares of Class B Common Stock, has certain demand registration rights with respect to all or any portion (subject to certain minimum thresholds) of the shares of Class B Common Stock owned by the QTIP Trust, one or more of the other Ingram Family Stockholders and certain of their permitted transferees on up to three occasions during the 84-month period following the closing of the IPO; provided that the Company shall not be obligated to effect (i) any registration requested by the QTIP Trust unless the QTIP Trust has furnished the Company with an opinion of counsel to the effect that such registration and any subsequent sale will not affect the tax-free nature of the Split-Off or (ii) more than one demand registration during any 12-month period. The Registration Rights Agreement also grants one demand registration right (subject to certain minimum thresholds) to members of the Ingram family holding, at the time of the Split-Off, approximately 18,210,000 shares of Class B Common Stock (which may only be exercised within the 84-month period following the closing of the IPO). All holders of such demand registration rights are subject to the lock-up agreements described below, and therefore are restricted from selling any shares during the 180-day period following October 31, 1996. In addition, the Registration Rights Agreement grants one demand registration right to certain minority stockholders of the Company, if a change of control of the Company occurs following the closing of the IPO but prior to the second anniversary of the Split-Off Date. The minority stockholders will not be entitled to this registration right if they were offered the opportunity to participate in the change of control transaction.

In addition, the Registration Rights Agreement provides that the recipients of Class B Common Stock received in the Split-Off will be entitled to unlimited "piggyback" registration rights in connection with any proposed registration of equity securities by the Company (with certain specified exceptions) during the 84-month period following the closing of the IPO. Employees who received shares in the Employee Offering, holders of restricted stock granted at the time of the Employee Offering, and persons who have exercised Rollover Stock Options are bound by the provisions of the Registration Rights Agreement as if such employees were parties thereto, and are entitled to the "piggyback" registration rights provided therein, with respect to the portion of their shares of Common Equity that is no longer subject to restrictions.

Pursuant to the Thrift Plan Liquidity Agreement, the Ingram Thrift Plan has certain rights to require the Company to purchase such shares of Class B Common Stock as are required to be sold by the Ingram Thrift Plan in order to comply with the requirements of ERISA or are necessary to fund distributions to Ingram Thrift Plan participants, if the Company does not arrange for the registration of such shares. Of the 10,007,000 shares of Class B Common Stock held by the Ingram Thrift Plan, 9,207,000 shares will be subject to the lock-up agreements described below. The registration statement of which this Prospectus forms a part is intended to comply with a portion of the Company's obligations under the Thrift Plan Liquidity Agreement. See "The Split-Off and the Reorganization--The Split-Off."

In addition to the Rollover S-1, the Company expects to file the Rollover S-8 in the near future. The Company also intends to file a registration statement on Form S-8 relating to options granted under the 1996 Plan. Shares registered under such registration statements will, subject to Rule 144 volume limitations applicable to affiliates, be available for sale in the open market, unless such shares are subject to vesting restrictions with

the Company or the lock-up agreements described below. Immediately following the closing of the IPO there were outstanding options exercisable for approximately 21,000,000 shares of Common Equity. Of such options, approximately 2,600,000 Rollover Stock Options and 200,000 options granted to Mr. Stead were exercisable immediately after the closing of the IPO for shares of Common Stock, although shares issuable upon exercise of approximately 1,000,000 of such options will be subject to the lock-up agreements described below. In addition, approximately 1,350,000 Rollover Stock Options will become exercisable on or prior to May 1, 1997, although the shares issuable upon exercise of approximately 600,000 of such Rollover Stock Options will be subject to the lock-up agreements described below. In addition, on April 1, 1997, options granted to non-officers of the Company pursuant to the 1996 Plan will become exercisable for approximately 700,000 shares of Class B Common Stock, none of which will be subject to the lock-up agreements described below. See "Management--1996 Plan" and "--Rollover Plan; Incentive Stock Units."

The Company and its directors and executive officers, and certain stockholders of the Company, have agreed, subject to certain exceptions, not to offer, sell, contract to sell or otherwise dispose of any Common Stock for a period of 180 days after the date of the Prospectus relating to the IPO without the prior written consent of Morgan Stanley & Co. Incorporated. Morgan Stanley & Co. Incorporated has informed the Company that it has no present intention to consent to any such transactions. Of the 107,251,362 shares of Class B Common Stock received in the Split-Off, all but 3,855,892 shares are subject to such lock-up agreements. Each holder of shares received in the Split-Off, in order to obtain the private letter ruling from the IRS, has represented in the Exchange Agreement that there is no plan or intention by such holder to sell, exchange, transfer by gift or otherwise dispose of any of such holder's Class B Common Stock subsequent to the Split-Off. As described above, all such shares are subject to restrictions on resale under Rule 144, including a two-year holding period. However, 800,000 of such 3,855,892 shares are held by the Ingram Thrift Plan, which has the registration rights described above, and therefore such shares may be registered and be eligible for immediate resale under certain limited circumstances. The registration statement of which this Prospectus forms a part relates to such shares. In addition, certain minority stockholders may have demand registration rights under the Registration Rights Agreement upon a change of control, as described above.

Prior to the IPO, there has not been any public market for either class of the Common Equity. No prediction can be made as to the effect, if any, that market sales of shares or the availability of shares for sale will have on the market price prevailing from time to time. Sales of substantial additional amounts of Common Equity in the public market, or the perception that such sales could occur, could adversely affect the prevailing market price of the Common Stock.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a discussion of the material U.S. federal income and estate tax consequences of the ownership and disposition of Common Stock by a "Non-U.S. Holder." A "Non-U.S. Holder" is a person or entity that, for U.S. federal income tax purposes, is a non-resident alien individual, a foreign corporation, a foreign partnership, or a non-resident fiduciary of a foreign estate or trust.

This discussion is based on the Code, and administrative interpretations as of the date hereof, all of which are subject to change, including changes with retroactive effect. This discussion does not address all aspects of U.S. federal income and estate taxation that may be relevant to Non-U.S. Holders in light of their particular circumstances and does not address any tax consequences arising under the laws of any state, local, or foreign jurisdiction.

Proposed United States Treasury Regulations were issued on April 15, 1996 (the "Proposed Regulations") which, if adopted, would affect the United States taxation of dividends paid to a Non-U.S. Holder on Common Stock. The Proposed Regulations are generally proposed to be effective with respect to dividends paid after December 31, 1997, subject to certain transition rules. The discussion below is not intended to be a complete discussion of the provisions of the Proposed Regulations, and prospective investors are urged to consult their tax advisors with respect to the effect the Proposed Regulations would have if adopted.

Prospective holders should consult their tax advisors with respect to the particular tax consequences to them of owning and disposing of Common Stock, including the consequences under U.S. federal law as well as under the laws of any state, local, or foreign jurisdiction.

Dividends

Subject to the discussion below, dividends paid to a Non-U.S. Holder of Common Stock generally will be subject to withholding tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. For purposes of determining whether tax is to be withheld at a 30% rate or at a reduced rate as specified by an income tax treaty, the Company ordinarily will presume that dividends paid to an address in a foreign country are paid to a resident of such country absent knowledge that such presumption is not warranted.

Under the Proposed Regulations, to obtain a reduced rate of withholding under a treaty, a Non-U.S. Holder would generally be required to provide a Form W-8 certifying such Non-U.S. Holder's entitlement to benefits under a treaty. The Proposed Regulations would also provide special rules to determine whether for purposes of determining the applicability of a tax

treaty, dividends paid to a Non-U.S. Holder that is an entity should be treated as paid to the entity or those holding an interest in that entity.

There will be no withholding tax on dividends paid to a Non-U.S. Holder that are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States if the Non-U.S. Holder files a valid Form 4224 (or, if and when the Proposed Regulations become effective, a Form W-8) stating that the dividends are so connected. Instead, the effectively connected dividends will be subject to regular U.S. income tax in the same manner as if the Non-U.S. Holder were a U.S. resident. A non-U.S. corporation receiving effectively connected dividends may also be subject to an additional "branch profits tax" which is imposed, under certain circumstances, at a rate of 30% (or such lower rate as may be specified by an applicable treaty) of the non-U.S. corporation's effectively connected earnings and profits, subject to certain adjustments.

Generally, the Company must report to the IRS the amount of dividends paid, the name and address of the recipient, and the amount, if any, of tax withheld. A similar report is sent to the holder. Pursuant to tax treaties or certain other agreements, the IRS may make its reports available to tax authorities in the recipient's country of residence.

Dividends paid to a Non-U.S. Holder at an address within the United States may be subject to backup withholding imposed at a rate of 31% if the Non-U.S. Holder fails to establish that it is entitled to an exemption or to provide a correct taxpayer identification number and certain other information. The Proposed Regulations would, if adopted, alter the foregoing rules in certain respects, including by providing certain presumptions under which a Non-U.S. Holder would be subject to backup withholding in the absence of the certification from the holder as to non-U.S. status, regardless of whether dividends are paid to a U.S. or non-U.S. address.

Gain on Disposition of Common Stock

A Non-U.S. Holder generally will not be subject to U.S. federal income tax with respect to gain realized on a sale or other disposition of Common Stock unless (i) the gain is effectively connected with a trade or business of such holder in the United States, (ii) in the case of certain Non-U.S. Holders who are nonresident alien individuals and hold the Common Stock as a capital asset, such individual is present in the United States for 183 or more days in the taxable year of the disposition, (iii) the Non-U.S. Holder is subject to tax pursuant to the provisions of the Code regarding the taxation of U.S. expatriates, or (iv) the Company is or has been a "U.S. real property holding corporation" within the meaning of Section 897(c)(2) of the Code at any time within the shorter of the five-year period preceding such disposition or such holder's holding period. The Company is not, and does not anticipate becoming, a U.S. real property holding corporation.

Information Reporting Requirements and Backup Withholding on Disposition of Common Stock

Under current United States federal income tax law, information reporting and backup withholding imposed at a rate of 31% will apply to the proceeds of a disposition of Common Stock paid to or through a U.S. office of a broker unless the disposing holder certifies as to its non-U.S. status or otherwise establishes an exemption. Generally, U.S. information reporting and backup withholding will not apply to a payment of disposition proceeds if the payment is made outside the United States through a non-U.S. office of a non-U.S. broker. However, U.S. information reporting requirements (but not backup withholding) will apply to a payment of disposition proceeds outside the United States if (A) the payment is made through an office outside the United States of a broker that is either (i) a U.S. person, (ii) a foreign person which derives 50% or more of its gross income for certain periods from the conduct of a trade or business in the United States, or (iii) a "controlled foreign corporation" for U.S. federal income tax purposes and (B) the broker fails to maintain documentary evidence that the holder is a Non-U.S. Holder and that certain conditions are met, or that the holder otherwise is entitled to an exemption.

The Proposed Regulations would, if adopted, alter the foregoing rules in certain respects. Among other things. the Proposed Regulations would provide certain presumptions under which a Non-U.S. Holder would be subject to backup withholding in the absence of certification from the holder as to non-U.S. status.

Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained, provided that the required information is furnished to the IRS.

Federal Estate Tax

An individual Non-U.S. Holder who is treated as the owner of, or has made certain lifetime transfers of, an interest in the Common Stock will be required to include the value thereof in his gross estate for U.S. federal estate tax purposes, and may be subject to U.S. federal estate tax unless an applicable estate tax treaty provides otherwise.

PLAN OF DISTRIBUTION

The Company will not receive any proceeds from any sales of Common Stock pursuant to this Prospectus. Shares of Common Stock may be sold from time to time to purchasers directly by the Ingram Thrift Plan. Alternatively, from time to time the Ingram Thrift Plan may offer shares of Common Stock through underwriters, brokers, dealers or agents, who may receive

compensation in the form of underwriting discounts, concessions or commissions from the seller and/or the purchasers for whom they may act as agent. The Ingram Thrift Plan and any such underwriters, dealers or agents that participate in the distribution of the Common Stock may be deemed to be underwriters, and any profits on the sale of Common Stock by them and any associated discounts, commissions or concessions that are received may be deemed to be underwriting compensation under the Securities Act. To the extent the Ingram Thrift Plan may be deemed to be an underwriter, it may be subject to certain statutory liabilities under the Securities Act including but not limited to Sections 11 and 12 of the Securities Act. If required at the time a particular offering is made, a Prospectus Supplement will be distributed that will set forth the aggregate number of shares of Common Stock being offered and the terms of the offering, including the name or names of any underwriters, any discounts, commissions and other items constituting compensation from the Ingram Thrift Plan and any discounts, commissions or concessions allowed or reallowed or paid to dealers. Such Prospectus Supplement, and, if necessary, a post-effective amendment to the registration statement of which this Prospectus forms a part, will be filed with the Commission to reflect the disclosure of additional information with respect to the distribution of the Common Stock.

Shares of the Common Stock may be sold from time to time in one or more transactions at a fixed offering price, which may be changed, or at varying prices determined at the time of sale or at negotiated prices. Such prices will be determined by the Ingram Thrift Plan or by agreement between the Ingram Thrift Plan and underwriters or dealers. The Ingram Thrift Plan also may, from time to time, authorize dealers, acting as the Ingram Thrift Plan's agents, to solicit offers to purchase the Common Stock upon the terms and conditions set forth in any Prospectus Supplement.

The Ingram Thrift Plan and any other person participating in a sale or distribution of the Common Stock will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including without limitation Rules 10b-5, 10b-6 and 10b-7, which provisions may limit the timing of purchases and sales of any of the Common Stock by the Ingram Thrift Plan and any other such person.

The Common Stock is listed on the New York Stock Exchange under the symbol: "IM."

The Company has agreed to pay all expenses incident to the registration statement of which this Prospectus forms a part and the sale of Common Stock hereunder to the public, other than commissions, fees and discounts of underwriters, dealers or agents. In addition, the Ingram Thrift Plan and any underwriters, agents dealers and brokers participating in the distribution of the Common Stock, will be indemnified by the Company against certain civil liabilities, including liabilities under the Securities Act.

LEGAL MATTERS

Certain legal matters with respect to the Common Stock offered in this offering will be passed upon by Davis Polk & Wardwell, New York, New York.

EXPERTS

The consolidated financial statements as of December 31, 1994 and December 30, 1995 and for each of the three fiscal years in the period ended December 30, 1995 included in this Prospectus have been so included in reliance on the report of Price Waterhouse LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

ADDITIONAL INFORMATION

Prior to the IPO, the Company has not been subject to the reporting requirements of the Exchange Act. The Company has filed with the Commission a registration statement on Form S-1 (together with any amendments thereto, the "Registration Statement") under the Securities Act, with respect to the shares of Common Stock being offered hereby. This Prospectus does not contain all of the information set forth in the Registration Statement and the exhibits and schedules thereto, certain items of which are omitted as permitted by the Rules and Regulations of the Commission. Statements contained in this Prospectus as to the contents of any contract or other document referred to herein are not necessarily complete, and in each instance in which a copy of such contract or other document has been filed as an exhibit to the Registration Statement, reference is made to such copy and each such statement is qualified in all respects by such reference.

The Company is subject to the informational requirements of the Exchange Act, and, in accordance therewith, will file reports and other information with the Commission. A copy of the Registration Statement, the exhibits and schedules forming a part thereof and the reports and other information filed by the Company in accordance with the Exchange Act may be inspected without charge at the offices of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 and at certain regional offices of the Commission located at Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661 and 7 World Trade Center, 13th Floor, New York, New York 10048. Copies of such material may also be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, upon payment of the fees prescribed by the Commission. Such material may also be accessed electronically by means of the Commission's home page on the Internet at http://www.sec.gov.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

INGRAM MICRO INC.
(A WHOLLY-OWNED SUBSIDIARY OF INGRAM INDUSTRIES INC.)

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and
Stockholder of Ingram Micro Inc.

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income, of stockholder's equity and of cash flows present fairly, in all material respects, the financial position of Ingram Micro Inc. (a wholly-owned subsidiary of Ingram Industries Inc.) and its subsidiaries at December 31, 1994 and December 30, 1995, and the results of their operations and their cash flows for each of the three years in the period ended December 30, 1995, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP

Nashville, Tennessee
February 29, 1996, except
Note 12 as to which the date is September 9, 1996
and Note 2 as to which the date is October 29, 1996

INGRAM MICRO INC.
(A WHOLLY-OWNED SUBSIDIARY OF INGRAM INDUSTRIES INC.)

CONSOLIDATED BALANCE SHEET
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	FISCAL PERIOD END		
	1994	1995	SEPTEMBER 28, 1996
			(UNAUDITED)
ASSETS			
Current assets:			
Cash	$ 58,369	$ 56,916	$ 43,196
Trade accounts receivable (less allowances of $25,668 in 1994, $30,791 in 1995 and $38,069 in 1996)	745,910	1,071,275	1,127,937
Inventories	995,880	1,582,922	1,382,122
Other current assets	68,717	88,503	115,243
Total current assets	1,868,876	2,799,616	2,668,498
Property and equipment, net	58,285	89,126	127,984
Goodwill, net	33,481	29,871	27,785
Other	13,647	22,285	19,445
Total assets	$1,974,289	$2,940,898	$ 2,843,712
LIABILITIES AND STOCKHOLDER'S EQUITY			
Current liabilities:			
Accounts payable	$1,100,598	$1,652,073	$ 1,670,358
Accrued expenses	94,505	121,572	153,598
Current maturities of long-term debt	10,724	6,332	16,458
Total current liabilities	1,205,827	1,779,977	1,840,414
Long-term debt	92,204	170,424	128,855
Due to Ingram Industries	449,355	673,792	479,703
Other	3,434	5,697	8,572
Total liabilities	1,750,820	2,629,890	2,457,544
Minority interest	2,125	213	2,956
Commitments and contingencies (Note 8)			
Redeemable Class B Common Stock	--	--	17,223
Stockholder's equity:			
Preferred Stock, $0.01 par value, 1,000,000 shares authorized; no shares issued and outstanding	--	--	--
Class A Common Stock, $0.01 par value, 265,000,000 shares authorized; no shares issued and outstanding	--	--	--
Class B Common Stock, $0.01 par value, 135,000,000 shares authorized; 109,813,762 shares issued and outstanding (including 2,460,400 redeemable shares)	1,073	1,073	1,074
Additional paid in capital	22,427	22,427	23,140
Retained earnings	197,815	282,122	339,689
Cumulative translation adjustment	29	5,173	2,680
Unearned compensation	--	--	(594)
Total stockholder's equity	221,344	310,795	365,989
Total liabilities and stockholder's equity	$1,974,289	$2,940,898	$ 2,843,712

See accompanying notes to these consolidated financial statements.

INGRAM MICRO INC.
(A WHOLLY-OWNED SUBSIDIARY OF INGRAM INDUSTRIES INC.)

CONSOLIDATED STATEMENT OF INCOME
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	FISCAL YEAR			THIRTY-NINE WEEKS ENDED	
	1993	1994	1995	SEPTEMBER 30, 1995	SEPTEMBER 28, 1996
				(UNAUDITED)	
Net sales	$4,044,169	$5,830,199	$8,616,867	$6,070,722	$8,474,710
Cost of sales	3,714,527	5,391,224	8,011,181	5,648,210	7,900,223
Gross profit	329,642	438,975	605,686	422,512	574,487
Expenses:					
Selling, general and administrative	225,047	296,330	415,344	296,079	386,492
Charges allocated from Ingram Industries	1,567	2,355	3,461	2,561	3,259
Non-cash compensation charge					8,859
	226,614	298,685	418,805	298,640	398,610
Income from operations	103,028	140,290	186,881	123,872	175,877
Other (income) expense:					
Interest income	(407)	(937)	(3,479)	(3,049)	(1,188)
Interest expense	5,003	8,744	13,451	8,918	10,608
Interest expense charged by Ingram Industries	16,089	24,189	32,606	22,977	30,912
Net foreign currency exchange loss	111	6,873	7,751	6,572	447
Other	(623)	716	1,936	405	1,689
	20,173	39,585	52,265	35,823	42,468
Income before income taxes and minority interest	82,855	100,705	134,616	88,049	133,409
Provision for income taxes	31,660	39,604	53,143	34,755	55,459
Income before minority interest	51,195	61,101	81,473	53,294	77,950
Minority interest	840	(2,243)	(2,834)	(2,986)	383
Net income	$ 50,355	$ 63,344	$ 84,307	$ 56,280	$ 77,567
Earnings per share	$ 0.41	$ 0.52	$ 0.69	$ 0.46	$ 0.64

See accompanying notes to these consolidated financial statements.

INGRAM MICRO INC.
(A WHOLLY-OWNED SUBSIDIARY OF INGRAM INDUSTRIES INC.)

CONSOLIDATED STATEMENT OF STOCKHOLDER'S EQUITY
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	CLASS A COMMON STOCK		CLASS B COMMON STOCK		ADDITIONAL PAID IN CAPITAL	RETAINED EARNINGS	CUMULATIVE TRANSLATION ADJUSTMENT	UNEARNED COMPENSATION	TOTAL
	SHARES	AMOUNT	SHARES	AMOUNT					
JANUARY 2, 1993.....			107,251,362	$1,073	$ 22,427	$84,116	$ 1,802		$109,418
Translation adjustment.....							(4,314)		(4,314)
Net income.....						50,355			50,355
JANUARY 1, 1994.....			107,251,362	1,073	22,427	134,471	(2,512)		155,459
Translation adjustment.....							2,541		2,541
Net income.....						63,344			63,344
DECEMBER 31, 1994....			107,251,362	1,073	22,427	197,815	29		221,344
Translation adjustment.....							5,144		5,144
Net income.....						84,307			84,307
DECEMBER 30, 1995....			107,251,362	1,073	22,427	282,122	5,173		310,795
Distribution to Ingram Industries (unaudited).....						(20,000)			(20,000)
Grant of restricted Class B Common Stock (unaudited).....			102,000	1	713			(714)	
Amortization of unearned compensation (unaudited).....								120	120
Translation adjustment (unaudited).....							(2,493)		(2,493)
Net income (unaudited).....						77,567			77,567
SEPTEMBER 28, 1996 (UNAUDITED).....			107,353,362	$1,074	$ 23,140	$339,689	$ 2,680	$ (594)	$365,989

See accompanying notes to these consolidated financial statements.

INGRAM MICRO INC.
(A WHOLLY-OWNED SUBSIDIARY OF INGRAM INDUSTRIES INC.)

CONSOLIDATED STATEMENT OF CASH FLOWS
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	FISCAL YEAR			THIRTY-NINE WEEKS ENDED	
	1993	1994	1995	SEPTEMBER 30, 1995	SEPTEMBER 28, 1996
				(UNAUDITED)	
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Net income	$ 50,355	$ 63,344	$ 84,307	$ 56,280	$ 77,567
Adjustments to reconcile net income to cash provided by operating activities:					
Depreciation and amortization	12,918	18,675	25,394	17,829	25,253
Deferred income taxes	(5,719)	(4,668)	(8,632)	(8,475)	(3,144)
Minority interest	840	(2,243)	(2,834)	(2,986)	383
Non-cash compensation charge					8,859
Changes in operating assets and liabilities, net of effects of acquisitions:					
Trade accounts receivable	(161,097)	(232,268)	(320,177)	(151,854)	(63,799)
Inventories	(143,738)	(345,511)	(580,116)	(481,072)	194,288
Other current assets	(2,881)	(12,846)	(15,877)	(20,929)	(16,280)
Accounts payable	184,787	411,012	543,822	612,038	25,890
Accrued expenses	22,830	17,452	22,828	11,651	24,235
Cash provided (used) by operating activities	(41,705)	(87,053)	(251,285)	32,482	273,252
CASH PROVIDED (USED) BY INVESTING ACTIVITIES:					
Purchase of property and equipment	(21,311)	(31,286)	(52,985)	(37,219)	(62,503)
Acquisitions, net of cash acquired	(21,447)	(15,088)			
Other	2,062	3,765	4,188	1,124	(2,034)
Cash used by investing activities	(40,696)	(42,609)	(48,797)	(36,095)	(64,537)
CASH PROVIDED (USED) BY FINANCING ACTIVITIES:					
Proceeds from sale of Class B Common Stock					17,223
Increase (decrease) in borrowings from Ingram Industries	83,635	103,580	224,437	(36,196)	(194,090)
Proceeds (repayment) of debt	1,410	(4,930)	(838)	97	2,481
Net borrowings under revolving credit facility	16,388	44,636	74,666	19,039	(29,612)
Distribution to Ingram Industries					(20,000)
Minority interest investment					2,400
Cash provided (used) by financing activities	101,433	143,286	298,265	(17,060)	(221,598)
Effect of exchange rate changes on cash	84	354	364	399	(837)
Increase (decrease) in cash	19,116	13,978	(1,453)	(20,274)	(13,720)
Cash, beginning of year	25,275	44,391	58,369	58,369	56,916
Cash, end of period or year	$ 44,391	$ 58,369	$ 56,916	$ 38,095	$ 43,196
Supplementary disclosure of cash flow information:					
CASH PAYMENTS DURING THE PERIOD:					
Interest	$ 20,738	$ 32,528	$ 45,164	$ 31,066	$ 41,814
Income taxes	34,906	47,152	54,506	38,843	60,090

Cash payments include payments made to Ingram Industries for interest and U.S. income taxes

See accompanying notes to these consolidated financial statements.

NOTE 1 -- ORGANIZATION AND BASIS OF PRESENTATION

Ingram Micro Inc. (the "Company" or "Ingram Micro"), formerly Ingram Micro Holdings Inc. (refer to Note 12), is primarily engaged in wholesale distribution and marketing of microcomputer hardware and software products. The Company conducts the majority of its operations in North America and Europe. The Company is a wholly-owned subsidiary of Ingram Industries Inc. ("Ingram Industries"). In September 1995, Ingram Industries announced its intention to reorganize into three separate companies in a tax-free reorganization. As part of the reorganization (the "Reorganization"), Ingram Industries will split-off the Company. The plan of reorganization is subject to, among other things, receipt of a satisfactory tax ruling from the Internal Revenue Service. The plan contemplates that certain of the Ingram Industries stockholders will exchange (the "Exchange") all or some of their shares of Ingram Industries for the outstanding shares of the Company held by Ingram Industries. The Exchange and those elements of the Reorganization contemplated to occur prior to the closing of the Company's initial public offering are referred to herein as the "Split-Off."

The accompanying consolidated financial statements have been prepared as if the Company had operated as an independent stand alone entity for all periods presented except the Company generally has not had significant borrowings in North America other than amounts due Ingram Industries. Refer to Notes 6 and 10 regarding related party transactions.

NOTE 2 -- SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies which conform to generally accepted accounting principles applied on a consistent basis between years, are described below:

Basis of Consolidation

The consolidated financial statements include the accounts of the Company, its wholly-owned and majority-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Fiscal Year

The fiscal year of the Company is a 52 or 53 week period ending on the Saturday nearest to December 31. All references herein to "1993," "1994" and "1995" represent the 52 week fiscal years ended January 1, 1994, December 31, 1994 and December 30, 1995, respectively.

Accounting Estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, disclosure of contingent liabilities at financial statement date and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash

Outstanding checks of $119,627 in 1994 and $72,868 in 1995 are included in accounts payable.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

Revenue Recognition

Revenue is recognized at the time of product shipment. The Company, under specified conditions, permits its customers to return or exchange products. The provision for estimated sales returns is recorded concurrently with the recognition of revenue.

Vendor Programs

Funds received from vendors for price protection, product rebates, marketing or training programs are recorded net of direct costs as adjustments to product costs, reduction of selling, general and administrative expenses or revenue according to the nature of the program.

The Company does not provide warranty coverage of its product sales. However, to maintain customer relations, the Company facilitates domestic vendor warranty policies by accepting for exchange, with the Company's prior approval, most defective products within 90 days of invoicing. Defective products received by the Company are subsequently returned to the vendor for credit or replacement.

The Company generated approximately 17% of its sales in fiscal 1993, 18% in 1994 and 23% in 1995 from products purchased from two vendors.

Inventories

Inventories are stated at the lower of average cost or market.

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over the following estimated useful lives. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life:

Leasehold improvements	3-12 years
Distribution equipment	5-7 years
Computer equipment	2-5 years

Maintenance, repairs and minor renewals are charged to expense as incurred. Additions, major renewals and betterments to property and equipment are capitalized. Realization of carrying value is assessed periodically.

Goodwill

Goodwill is amortized on a straight-line basis over periods ranging from five to twenty years. Accumulated amortization was $9,846 at December 31, 1994 and $13,576 at December 30, 1995. The Company evaluates the recoverability of goodwill and reviews the amortization periods on an annual basis. Recoverability is measured on the basis of anticipated undiscounted cash flows from operations. At December 31, 1994 and December 30, 1995, no impairment was indicated.

Income Taxes

The temporary differences between the financial reporting basis and the income tax basis of the Company's assets and liabilities are provided in accordance with Statement of Financial Accounting Standards No. 109.

Foreign Currency Translation

Financial statements of foreign subsidiaries are translated into U.S. dollars using the exchange rate at each balance sheet date for assets and liabilities and a weighted average exchange rate for each period for results of foreign operations. Translation adjustments are recorded as a separate component of stockholder's equity when the local currency is the functional currency. Translation adjustments are recorded in income when the U.S. dollar is the functional currency. The U.S. dollar is the functional currency for the Company's subsidiaries in Mexico and Singapore.

Financial Instruments

The carrying amounts of cash, accounts receivable, accounts payable and other accrued expenses approximate fair value because of the short maturity of these items.

The carrying amounts of intercompany payables and debt issued pursuant to bank credit agreements approximate fair value because interest rates on these instruments approximate current market interest rates.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of trade accounts receivable and derivative financial instruments. Credit risk with respect to trade accounts receivable is limited due to the large number of customers and their dispersion across geographic areas. The Company sells its products primarily in the United States, Europe, Canada and Mexico. The Company performs ongoing credit evaluations of its customers' financial condition, utilizes flooring arrangements with third party financing companies, obtains credit insurance in certain locations and requires collateral in certain circumstances. The Company maintains an allowance for potential credit losses.

Derivative Financial Instruments

The Company operates internationally with distribution facilities in various locations around the world. The Company uses derivative financial instruments to reduce its exposure to fluctuations in interest rates and foreign exchange rates by creating offsetting positions through the use of derivative financial instruments. The market risk related to the foreign exchange agreements is offset by changes in the valuation of the underlying items being hedged. The majority of the Company's derivative financial instruments have terms of 90 days or less. The Company currently does not use derivative financial instruments for trading or speculative purposes, nor is the Company a party to leveraged derivatives.

Derivative financial instruments are accounted for on an accrual basis. Income and expense are recorded in the same category as that arising from the related asset or liability being hedged. Gains and losses resulting from effective hedges of existing assets, liabilities or firm commitments are deferred and recognized when the offsetting gain and losses are recognized on the related hedged items. Written foreign currency options are used to mitigate currency risk in conjunction with purchased options. Gains or losses on written foreign currency options are adjusted to market value at the end of each accounting period and have not been material to date.

The notional amount of forward exchange contracts and options is the amount of foreign currency bought or sold at maturity. The notional amount of currency interest rate swaps is the underlying principal and currency amounts used in determining the interest payments exchanged over the life of the swap. 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

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

use of derivatives. The estimated fair value of derivative financial instruments represents the amount required to enter into like off-setting contracts with similar remaining maturities based on quoted market prices.

Credit exposure is limited to the amounts, if any, by which the counterparties' obligations under the contracts exceed the obligations of the Company to the counterparties. Potential credit losses are minimized through careful evaluation of counterparty credit standing, selection of counterparties from a limited group of high quality institutions and other contract provisions.

Derivative financial instruments comprise the following:

	1994		1995	
	NOTIONAL AMOUNTS	ESTIMATED FAIR VALUE	NOTIONAL AMOUNTS	ESTIMATED FAIR VALUE
Foreign exchange forward contracts.....	$ 44,586	$ (384)	$109,218	$ (1,971)
Purchased foreign currency options.....	55,979	699	75,928	485
Written foreign currency options	77,298	(25)	121,183	(615)
Currency interest rate swaps.....	9,823	(543)	25,655	(1,056)

Employee Benefits

The Company participates in Ingram Industries' defined contribution plan covering substantially all U.S. employees. The plan permits eligible employees to make contributions up to certain limits and receive employer matching at stipulated percentages. The Company's contributions charged to expense were $716 in fiscal 1993, $764 in 1994 and $1,399 in 1995.

As a result of the Split-Off described in Note 1, the Company will establish its own employee benefit plans.

Earnings Per Share

Historical earnings per share data reflects the Company's capital structure as a result of the formation of the Delaware corporation in preparation for the Split-Off described in Notes 1 and 12. Earnings per share is determined based on the number of shares the Company is expected to have after the Split-Off (107,251,362) in addition to all dilutive common stock and common stock equivalent shares issued within 12 months of the public offering. Pursuant to the Securities and Exchange Commission Staff Accounting Bulletins and Staff policy, such shares are treated as if they were outstanding for all periods presented using the treasury stock method (14,155,229). The number of common shares used to compute the earnings per share amounts for each of the three fiscal years in the period ended December 30, 1995 and the thirty-nine weeks ended September 30, 1995 and September 28, 1996 was 121,406,591, 121,406,591, and 121,687,287, respectively.

Supplementary Earnings Per Share

Supplementary per share data (unaudited) is presented to give effect to the repayment of certain indebtedness assumed by the Company in satisfaction of amounts due to Ingram Industries. Net income is adjusted by $16,094 and $11,214 for 1995 and the thirty-nine weeks ended September 28, 1996, respectively, to reflect the reduction in interest expense (net of tax) related to the indebtedness assumed by the Company.

The weighted average shares outstanding used to calculate supplementary pro forma earnings per share are based on weighted average shares outstanding at December 30, 1995 and September 28, 1996, respectively, as adjusted for 20,200,000 shares of Class A Common Stock being sold in the Company's initial public offering to repay certain indebtedness of the Company.

Unaudited supplementary pro forma earnings per share for the fiscal periods ended December 30, 1995 and September 28, 1996 is $0.70 and $0.62, respectively.

Interim Financial Information

The accompanying interim financial statements have been prepared without audit, and certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted, although the Company believes that the disclosures herein are adequate to make information presented not misleading. These statements should be read in conjunction with the Company's financial statements for the year ended December 30, 1995. The results of operations for the thirty-nine week period is not necessarily indicative of results for the full year.

In the opinion of management, the accompanying interim financial statements contain all adjustments of a normal and recurring nature necessary for a fair presentation of the Company's financial position as of September 28, 1996, its results of operations for the thirty-nine weeks ended September 30, 1995 and September 28, 1996, and its cash flows for the thirty-nine weeks ended September 30, 1995 and September 28, 1996.

NOTE 3 -- ACQUISITIONS

The Company acquired 70% of the stock of Distribuidora de Computo, S.A. de C.V. ("Dicom"), in January 1993, for $9,327 cash and amounts payable to the sellers of $2,475. Dicom is located in Mexico and is engaged in wholesale distribution. The assets acquired were $32,383 and liabilities assumed were $21,468.

The Company also acquired four separate wholesale distributors in Germany, the United Kingdom, Belgium and the Netherlands in 1993. The combined consideration for the assets or common stock purchased was $12,120 cash and $2,364 of notes payable to sellers. The acquired companies had assets of $10,810 and liabilities of $80.

In April and August 1994, the Company acquired two separate wholesale distributors (Keylan S.A. and Datateam Sverige AB) with operations in Spain, Sweden, Denmark and Norway. The combined consideration paid was $15,088 cash and $5,279 of notes payable to the sellers. The acquired companies had assets of $48,748 and liabilities of $35,034.

The acquisitions described above have been accounted for using the purchase method of accounting. The purchase price has been allocated to the assets purchased and liabilities assumed based on fair values at the date of acquisition. The excess of the purchase price over fair value of net assets acquired in 1993 was $7,916 and in 1994 was $6,653 and was recorded as goodwill.

The operating results of these acquired businesses have been included in the consolidated statement of income from the date of acquisition. Pro forma results of operations have not been presented because the effects of these acquisitions were not significant.

NOTE 4 -- ACCOUNTS RECEIVABLE

Effective February 1993, the Company entered into an arrangement with Ingram Industries whereby the Company sells all of its domestic trade accounts receivable to Ingram Industries on an ongoing basis ($665,325 at December 30, 1995). Ingram Industries transfers certain trade accounts receivable from the Company and other Ingram Industries affiliates to a trust which sells certificates representing undivided interests in the total pool of trade receivables without recourse. Ingram Industries' arrangement with the trust extends to December 31, 1997 and renews biannually under an evergreen provision up to a maximum term of

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

twenty years. At December 31, 1994 and December 30, 1995, the accounts receivable and due to Ingram Industries amounts in the Company's consolidated balance sheet have not been reduced to reflect the sale of such receivables. As a result of the Split-Off described in Note 1, it is anticipated that Ingram Industries' accounts receivable securitization agreement will be assumed by the Company.

NOTE 5 -- PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	FISCAL PERIOD END		SEPTEMBER 28,
	1994	1995	1996
			(UNAUDITED)
Land	$ 2,274	$ 2,359	$ 11,431
Leasehold improvements	17,448	26,381	47,588
Distribution equipment	39,814	62,462	76,173
Computer equipment	40,579	59,161	76,922
	100,115	150,363	212,114
Accumulated depreciation	(41,830)	(61,237)	(84,130)
	$ 58,285	$ 89,126	$127,984

Depreciation expense was $10,927 in fiscal 1993, $15,756 in 1994 and $21,785 in 1995.

NOTE 6 -- LONG-TERM DEBT AND DUE TO INGRAM INDUSTRIES

Ingram Industries manages most treasury activities, including the arrangement of short-term and long-term financing on a centralized, consolidated basis. Using a centralized cash management system, the Company's domestic cash receipts are remitted to Ingram Industries and domestic cash disbursements are funded by Ingram Industries on a daily basis. The Company's historical financial statements reflect funding provided by Ingram Industries to the Company, and net cash used by the Company, as amounts due to Ingram Industries. At December 31, 1994 and December 30, 1995, amounts due to Ingram Industries are classified as long-term due to the terms of the underlying debt at Ingram Industries.

Ingram Industries charges the Company interest expense on the outstanding intercompany balance based on Ingram Industries' domestic weighted average cost of funds. The average rate was 6.93% in fiscal 1993, 6.99% in 1994 and 7.38% in 1995.

The Company and other Ingram Industries affiliates participate in Ingram Industries' unsecured revolving credit agreement with a syndicate of banks. Under this agreement, Ingram Industries and its affiliates may borrow in various currencies up to $380,000 at various money market and bid rates. The weighted average borrowing rate was 6.84% at December 31, 1994 and 7.00% at December 30, 1995. The agreement extends to December 31, 1999, and is renewable for an additional two year period during the year prior to expiration. The agreement is guaranteed by certain subsidiaries of the Company and other Ingram Industries affiliates. At December 30, 1995, outstanding aggregate borrowings were $229,716, of which $167,176 is specifically related to amounts drawn by the Company's subsidiaries.

The Company's subsidiaries outside the United States have lines of credit and short-term overdraft facilities aggregating $93,527 various banks worldwide. Most of these arrangements are reviewed periodically for renewal. At December 30, 1995, the Company had $5,782 outstanding under these facilities.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

In addition to the guarantee described above, the Company has guaranteed certain other borrowings of Ingram Industries totaling $328,572. Included within this amount are (i) amounts outstanding on an unsecured temporary revolving credit facility that provides for borrowings up to $200,000 at specified variable rates and expires on the earlier of December 31, 1996 or five days after the successful completion of an initial public offering and (ii) $192,900 of fixed maturity, privately placed debt with maturities from November 1, 1996 to November 1, 2002. As a result of the Split-Off described in Notes 1 and 12, it is anticipated that certain of the debt facilities guaranteed will be assumed by the Company in satisfaction of the amounts payable to Ingram Industries.

Under the most restrictive provisions of the loan agreements, Ingram Industries is required to maintain certain levels of stockholders' equity, a certain current ratio and a certain debt to capital ratio and is subject to certain dividend restrictions. During 1994 and 1995, Ingram Industries was in compliance with the provisions of these agreements.

Long-term debt consists of the following:

	FISCAL PERIOD END		SEPTEMBER 28,
	1994	1995	1996
			(UNAUDITED)
Revolving credit facility	$ 61,913	$141,521	$ 100,195
Overdraft facilities	10,724	5,782	13,184
Other	30,291	29,453	31,934
	102,928	176,756	145,313
Less current maturities of long-term debt	(10,724)	(6,332)	(16,458)
	$ 92,204	$170,424	$ 128,855

Annual maturities of long-term debt as of December 30, 1995 are as follows:

1996	$ 6,332
1997	10,187
1998	388
1999	157,743
2000 and thereafter	2,106
	$176,756

NOTE 7 -- INCOME TAXES

The components of income before taxes and minority interest consist of the following:

	FISCAL YEAR		
	1993	1994	1995
United States	$85,044	$ 99,701	$124,277
Foreign	(2,189)	1,004	10,339
Total	$82,855	$100,705	$134,616

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

The provision for income taxes consists of the following:

	FISCAL YEAR		
	1993	1994	1995
Current:			
Federal	$30,268	$35,989	$44,615
State	4,721	4,060	9,544
Foreign	2,390	4,223	7,616
	37,379	44,272	61,775
Deferred:			
Federal	(1,929)	(2,472)	(4,082)
State	(198)	136	(949)
Foreign	(3,592)	(2,332)	(3,601)
	(5,719)	(4,668)	(8,632)
Total income tax provision	$31,660	$39,604	$53,143

Deferred income taxes reflect the tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	FISCAL PERIOD END		
	1993	1994	1995
Deferred tax assets:			
Tax in excess of book basis of foreign operations	$ 9,837	$13,816	$19,511
Accruals not currently deductible	7,840	9,275	12,734
Inventories	2,724	3,538	5,876
Other	293	263	492
Total	$20,694	$26,892	$38,613
Deferred tax liabilities:			
Depreciation	$ 1,324	$ 958	$ 1,564

Current deferred tax assets of $15,130 and $19,307 are included in other current assets at December 31, 1994 and December 30, 1995, respectively. Non-current deferred tax assets of $11,762 and $19,306 are included in other assets at December 31, 1994 and December 30, 1995, respectively.

Reconciliation of the statutory U.S. federal income tax rate to the Company's effective rate is as follows:

	FISCAL YEAR		
	1993	1994	1995
U.S. statutory rate	35.0%	35.0%	35.0%
State income taxes, net of federal income tax benefit	3.3	2.8	3.9
Other	(.1)	1.5	.6
Effective tax rate	38.2%	39.3%	39.5%

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

The Company is included in the consolidated federal income tax return filed by Ingram Industries. Taxes related to the Company are determined on a separate entity basis and taxes payable are remitted to Ingram Industries every two months. Taxes payable to Ingram Industries of $4,089 at December 31, 1994 and $14,303 at December 30, 1995 are included in accrued expenses in the consolidated balance sheet.

At December 30, 1995, the Company had foreign net operating tax loss carryforwards of $49,264 of which approximately one third have no expiration date.

The Company does not provide for U.S. federal income taxes on undistributed earnings of foreign subsidiaries as such earnings are intended to be permanently reinvested in those operations.

NOTE 8 -- COMMITMENTS AND CONTINGENCIES

There are various claims, lawsuits and pending actions against the Company incident to the Company's operations. It is the opinion of management that the ultimate resolution of these matters will not have a material effect on the Company's financial position or results of operations.

The Company has arrangements with certain finance companies which provide accounts receivable and inventory financing facilities for its customers. The Company assesses the financial stability of the finance companies and payment terms are within 3 to 30 days of product shipment. In conjunction with certain of these arrangements, the Company has inventory repurchase agreements with the finance companies that would require it to repurchase certain inventory which might be repossessed from the customers by the finance companies. Such repurchases have been insignificant to date.

The Company leases the majority of its facilities and certain equipment under noncancelable operating leases. Renewal and purchase options at fair values exist for a substantial portion of the leases. Rental expense for the years ended January 1, 1994, December 31, 1994 and December 30, 1995 was $11,939, $16,574 and $28,367, respectively. Future minimum rental commitments on operating leases that have remaining noncancelable lease terms in excess of one year as of December 30, 1995 are as follows:

1996	$21,507
1997	18,614
1998	16,693
1999	14,912
2000	9,912
Later years	54,104

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

NOTE 9 -- SEGMENT INFORMATION

The Company operates predominantly in a single industry segment as a wholesale distributor of microcomputer hardware and software. Geographic areas in which the Company operates include the United States (United States and the majority of the Company's exports), Europe (Belgium, Denmark, France, Germany, Italy, the Netherlands, Norway, Spain, Sweden and the United Kingdom) and Other (Canada, Mexico and Singapore). Transfers between geographic areas primarily represent intercompany sales and are accounted for based on established sales prices between the related companies. Net sales, income (loss) from operations and identifiable assets by geographic area are as follows:

	FISCAL YEAR		
	1993	1994	1995
NET SALES:			
United States:			
Sales to unaffiliated customers	$3,118,316	$4,122,338	$5,969,749
Transfers between geographic areas	60,358	76,696	86,961
Europe	485,126	1,078,250	1,849,129
Other	440,727	629,611	797,989
Eliminations	(60,358)	(76,696)	(86,961)
Total	$4,044,169	$5,830,199	$8,616,867
INCOME (LOSS) FROM OPERATIONS:			
United States	$ 98,669	$ 123,796	$ 156,749
Europe	(3,246)	8,079	19,576
Other	7,605	8,415	10,556
Total	$ 103,028	$ 140,290	$ 186,881
IDENTIFIABLE ASSETS:			
United States	$ 945,699	$1,381,798	$1,996,642
Europe	190,892	393,346	669,309
Other	159,772	199,145	274,947
Total	$1,296,363	$1,974,289	$2,940,898

No single customer accounts for 10% or more of the Company's net sales.

NOTE 10 -- TRANSACTIONS WITH RELATED PARTIES

Ingram Industries provides certain corporate, general and administrative services to the Company in addition to treasury activities described in Note 6 (including, but not limited to, legal, tax, employee benefits and electronic data processing services). Charges for these services are based upon utilization and at amounts which management believes are less than the amounts which the Company would incur as a stand-alone entity. Such amounts are reflected as charges allocated from Ingram Industries on the consolidated statement of income.

Ingram Industries also provides guarantees to certain of the Company's vendors and for certain of the Company's leases; no charges from Ingram Industries have been reflected in the Company's financial statements for such guarantees.

The Company leases warehouse and office space from certain stockholders of Ingram Industries. Total rental payments were $729 in fiscal 1993, $784 in 1994 and $1,645 in 1995.

Other transactions with Ingram Industries affiliates includes sales of $1,664 in fiscal 1993, $3,056 in 1994 and $5,281 in 1995.

NOTE 11 -- STOCK OPTIONS AND INCENTIVE PLANS

Certain of the Company's employees participate in Ingram Industries' qualified and non-qualified stock option and SAR plans. Ingram Industries' plans provide for the grant of options and SARs at fair value. In conjunction with the Split-Off, Ingram Industries options held by the Company's employees and certain other Ingram Industries options and SARs will be converted to Ingram Micro options ("Rollover Stock Options") to purchase Class A Common Stock. Upon conversion, approximately 11,000,000 Rollover Stock Options will be outstanding. The Rollover Stock Options have exercise prices ranging from $0.66 to $3.32 per share, the majority will be fully vested by the year 2000 and no such options expire later than 10 years from the date of grant. The Company recorded a non-cash compensation charge of approximately $8,859 or $5,404 net of tax, in the first three quarters of 1996 related to the vested portion of certain Rollover Stock Options. This charge was based on the difference between the estimated fair value of such options in the first quarter of 1996 and the exercise price of such options.

The Company will adopt Statement of Financial Accounting Standards No. 123, "Accounting for Stock Based Compensation" ("FAS 123") in 1996. As permitted by FAS 123, the Company will continue to measure compensation cost in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." Therefore, the adoption of FAS 123 will have no impact on the Company's financial condition or results of operations.

The Company has two Incentive Stock Unit ("ISU") plans available to grant up to 1,575,000 ISUs to certain key employees. Subject to continued employment, these stock appreciation awards vest over five years and actual cash payout is based on the increase in book value from date of award grant. Outstanding ISUs at January 1, 1994, December 31, 1994 and December 30, 1995 were 748,200, 221,000 and 25,100, respectively. The amounts charged to expense related to these incentive stock unit plans totaled $3,354 in fiscal 1993, $2,163 in 1994 and $695 in 1995. There were no grants made under the ISU plans in 1995.

The Company will establish its separate stock option and incentive plans in conjunction with the Split-Off. Refer to Note 12.

NOTE 12 -- SUBSEQUENT EVENTS

Formation of Ingram Micro Inc.

On April 29, 1996, a Delaware corporation, Ingram Micro Inc., was formed to hold all of the outstanding stock of Ingram Micro Holdings Inc. ("Holdings"). It is the Company's plan to merge with and into such Delaware corporation prior to the effective date of a registration statement on Form S-1 filed with the Securities and Exchange Commission. The proposed merger will not impact the Company's financial statements, as the Company's historical financial statements reflect the capital structure described herein.

Ingram Micro Inc., a Delaware corporation, has two classes of common stock, consisting of 265,000,000 shares of $0.01 par value Class A Common Stock and 135,000,000 shares of $0.01 par value Class B Common Stock, and 1,000,000 shares of $0.01 par value Preferred Stock. Class A stockholders are entitled to one vote on each matter to be voted on by the stockholders whereas the Class B stockholders are entitled to ten votes on each matter to be voted on by the stockholders. The two classes of stock have similar

rights in all other respects. Each share of Class B Common Stock may at any time be converted to a share of Class A Common Stock; however, conversion will occur automatically on the earliest to occur of (i) the fifth anniversary of the consummation of the Split-Off pursuant to the Exchange Agreement; (ii) the sale of such share of Class B Common Stock to any person not provided for under the provisions of the Board Representation Agreement; or (iii) the date on which the number of shares of Class B Common Stock then outstanding represents less than 25% of the aggregate number of shares of Class A Common Stock and Class B Common Stock then outstanding. The capital structure resulting from the formation of the Delaware corporation was finalized on September 9, 1996 and the Company has 107,251,362 shares of Class B Common Stock outstanding.

Key Employee Stock Purchase Plan

As of April 30, 1996, the Company adopted the Key Employee Stock Purchase Plan (the "Plan") which provides for the issuance of up to 4,000,000 shares of Class B Common Stock to certain employees. In June 1996, the Company offered 2,775,000 shares of its Class B Common Stock to certain employees pursuant to the Plan, and subsequently sold 2,510,400 shares with proceeds of approximately $17,573. The shares sold thereby are subject to vesting and certain restrictions on transfer, may be redeemable prior to vesting and are subject to repurchase by the Company upon termination of employment. The Company has repurchased 50,000 of such shares. In addition, the Company granted, pursuant to this Plan, 107,000 restricted shares of Class B Common Stock to certain officers and employees of the Company. These shares are subject to vesting. Prior to vesting, these restricted grant shares are subject to forfeiture to the Company without consideration, upon termination of employment. 5,000 of such shares have been forfeited to the Company.

1996 Equity Incentive Plan

As of April 30, 1996, the Company adopted the 1996 Equity Incentive Plan and Ingram Industries approved the grant of options under this plan. In June 1996, the Company issued options at $7.00 per share to purchase an aggregate of approximately 4,800,000 shares of Class B Common Stock under its Equity Incentive Plan to all eligible employees of the Company. These options vest and generally become exercisable over five years from the issue date and expire eight years after the issue date.

Split-Off, Reorganization and Exchange

The Company plans to engage in a Split-Off, consisting of a Reorganization and an Exchange, from Ingram Industries and Ingram Entertainment. Pursuant to the Reorganization Agreement it is contemplated that the Company will retain all of the assets and liabilities associated with the Company's business and will indemnify Ingram Industries and Ingram Entertainment for all liabilities related to the Company's business and operations or otherwise assigned to the Company. In addition, the Reorganization Agreement provides for the sharing by the Company of approximately 73% of certain contingent assets and liabilities not allocated to one of the parties. The Company will assume a portion of Ingram Industries' debt in return for the extinguishment of intercompany indebtedness. The debt to be assumed by the Company includes an accounts receivable securitization program which will be transferred to the Company subsequent to the Split-Off. The Company will also enter into a $1 billion Credit Facility.

In connection with the Reorganization Agreement, the Company is expected to enter into an employee benefits transfer and assumption agreement with Ingram Industries and Ingram Entertainment which will provide for the allocation of employee benefit assets and liabilities on a pro rata basis to each of the parties of the Split-Off. It is also contemplated that the Company will enter into a Tax Sharing Agreement. This Agreement will hold the Company liable for its allocable share of the consolidated federal and state income

tax liability for the year that includes the Split-Off and approximately 73% of any adjustment in excess of reserves already established by Ingram Industries for past federal or state tax liabilities of the Company, Ingram Industries or Ingram Entertainment. In addition, the Company will share in any refunds received. The Company will also enter into Transitional Service Agreements related to certain administration services including data processing.

In conjunction with the Reorganization, the Company will consummate an exchange pursuant to which certain existing stockholders of Ingram Industries may exchange all or a portion of their shares of Ingram Industries common stock for shares of Class B Common Stock of the Company of equivalent value. If all stockholders were to exchange all eligible shares, they would receive 107,251,362 shares of Class B Common Stock. Pursuant to a Transfer Restrictions Agreement, the shares of Class B Common Stock received by employees of the Company, Ingram Industries or Ingram Entertainment in the Exchange are expected to be subject to repurchase by the Company upon termination of employment. The repurchase feature lapses upon consummation of an initial public offering. Although there can be no assurance, it is also contemplated that, on or after June 20, 1997, certain remaining stockholders of Ingram Industries will exchange their remaining shares of Ingram Industries common stock for shares of Ingram Entertainment common stock.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

An itemized statement of the estimated amount of the expenses, other than underwriting discounts and commissions, incurred and to be incurred in connection with the issuance and distribution of the securities registered pursuant to this Registration Statement is as follows:

Securities and Exchange Commission registration fee.....	$ 5,910
NYSE listing fee.....	830
Printing and engraving expenses.....	2,000
Accounting fees and expenses.....	10,000
Legal fees and expenses.....	10,000
Transfer Agent fees and expenses.....	1,000
Miscellaneous.....	10,260
Total.....	$40,000

Item 14. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law (the "DGCL") provides, in effect, that any person made a party to any action by reason of the fact that he is or was a director, officer, employee or agent of the Company may and, in certain cases, must be indemnified by the Company against, in the case of a non-derivative action, judgments, fines, amounts paid in settlement and reasonable expenses (including attorneys' fees) incurred by him as a result of such action, and in the case of a derivative action, against expenses (including attorneys' fees), if in either type of action he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. This indemnification does not apply, in a derivative action, to matters as to which it is adjudged that the director, officer, employee or agent is liable to the Company, unless upon court order it is determined that, despite such adjudication of liability, but in view of all the circumstances of the case, he is fairly and reasonably entitled to indemnity for expenses, and, in a non-derivative action, to any criminal proceeding in which such person had reasonable cause to believe his conduct was unlawful.

Section 102 of the DGCL allows the Company to eliminate or limit the personal liability of a director to the Company or to any of its stockholders for monetary damage for a breach of fiduciary duty as a director, except in the case where the director (i) breaches such person's duty of loyalty to the Company or its stockholders, (ii) fails to act in good faith, engages in intentional misconduct or knowingly violates a law, (iii) authorizes the payment of a dividend or approves a stock purchase or redemption in violation of Section 174 of the DGCL or (iv) obtains an improper personal benefit. Article Tenth of the Company's Certificate of Incorporation includes a provision which eliminates directors' personal liability to the fullest extent permitted under the Delaware General Corporation Law.

Article Tenth of the Company's Certificate of Incorporation provides that the Company shall indemnify any person (and the heirs, executors or administrators of such person) who was or is a party or is threatened to be made a party to, or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director or officer of the Company or is or was serving at the request of the Company as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, to the fullest extent permitted by Delaware Law. Each such indemnified party shall have the right to be paid by the Company for any expenses incurred in connection with any such proceeding in advance of its final disposition to the fullest extent authorized by Delaware Law. Article Tenth of the Company's Certificate of Incorporation also provides that the Company may, by action of its Board of Directors, provide indemnification to such of the employees and agents of the Company to such extent and to such effect as the Board of Directors shall determine to be appropriate and authorized by Delaware Law.

As permitted by Delaware Law and the Company's Certificate of Incorporation, the Company maintains insurance covering its directors and officers against certain liabilities incurred by them in their capacities as such, including among other things, certain liabilities under the Securities Act of 1933, as amended.

Item 15. Recent Sales of Unregistered Securities

In the second quarter of 1996, the Company offered 2,775,000 shares of its Class B Common Stock to certain of its employees, of which 2,510,400 shares were purchased for $17.6 million. The shares were issued without registration under the Securities Act in reliance upon the exemptions from registration afforded by Section 4(2) of the Securities Act, and Regulation D and Regulation S promulgated under the Securities Act. All such

shares were issued pursuant to the Company's Key Employee Stock Purchase Plan and are subject to certain restrictions.

Reference is made to "Management--Rollover Plan; Incentive Stock Units" and "The Split-Off and the Reorganization--The Split-Off" regarding shares, and options exercisable for shares, of the Company's Common Equity, issued in connection with the Split-Off, the purchasers thereof and the consideration therefor. Such issuances will occur without registration under the Securities Act in reliance upon the exemptions from registration afforded by Section 4(2) of the Securities Act and Regulation D promulgated under the Securities Act.

Item 16. Exhibits and Financial Statement Schedules.

(a) List of Exhibits.

3.01	--	Form of Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.01 to the Company's Registration Statement on Form S-1 (File No. 333-08453) (the "IPO S-1"))
3.02	--	Form of Amended and Restated Bylaws of the Registrant (incorporated by reference to Exhibit 3.03 to the IPO S-1)
4.01	--	Specimen Certificate for the Class A Common Stock, par value $0.01 per share, of the Registrant (incorporated by reference to Exhibit 4.01 to the IPO S-1)
5.01	--	Opinion of Davis Polk & Wardwell
10.01	--	Ingram Micro Inc. Executive Incentive Bonus Plan (incorporated by reference to Exhibit 10.01 to the IPO S-1)
10.02	--	Ingram Micro Inc. Management Incentive Bonus Plan (incorporated by reference to Exhibit 10.02 to the IPO S-1)
10.03	--	Ingram Micro Inc. General Employee Incentive Bonus Plan (incorporated by reference to Exhibit 10.03 to the IPO S-1)
10.04	--	Agreement dated as of December 21, 1994 between the Company and Jeffrey R. Rodek (incorporated by reference to Exhibit 10.04 to the IPO S-1)
10.05	--	Agreement dated as of April 25, 1988 between the Company and Sanat K. Dutta (incorporated by reference to Exhibit 10.05 to the IPO S-1)
10.06	--	Agreement dated as of June 21, 1991 between the Company and John Wm. Winkelhaus, II (incorporated by reference to Exhibit 10.06 to the IPO S-1)
10.07	--	Ingram Micro Inc. Rollover Stock Option Plan (incorporated by reference to Exhibit 10.07 to the IPO S-1)
10.08	--	Ingram Micro Inc. Key Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.08 to the IPO S-1)
10.09	--	Ingram Micro Inc. 1996 Equity Incentive Plan (incorporated by reference to Exhibit 10.09 to the IPO S-1)
10.10	--	Ingram Micro Inc. Amended and Restated 1996 Equity Incentive Plan (incorporated by reference to Exhibit 10.10 to the IPO S-1)
10.11	--	Severance Agreement dated as of June 1, 1996 among the Company, Ingram Industries, Linwood A. Lacy, Jr., and NationsBank, N.A., as trustee of the Linwood A. Lacy, Jr. 1996 Irrevocable Trust dated February 1996 (incorporated by reference to Exhibit 10.11 to the IPO S-1)
10.12	--	Credit Agreement dated as of October 30, 1996 among the Company and Ingram European Coordination Center N.V., Ingram Micro Singapore Pte Ltd., and Ingram Micro Inc., as Borrowers and Guarantors, certain financial institutions, as the Lenders, NationsBank of Texas, N.A., as Administrative Agent for the Lenders and The Bank of Nova Scotia as Documentation Agent for the Lenders
10.13	--	Amended and Restated Reorganization Agreement dated as of October 17, 1996 among the Company, Ingram Industries, and Ingram Entertainment
10.14	--	Registration Rights Agreement dated as of November 6, 1996 among the Company and the persons listed on the signature pages thereof
10.15	--	Board Representation Agreement dated as of November 6, 1996
10.16	--	Thrift Plan Liquidity Agreement dated as of November 6, 1996 among the Company and the Ingram Thrift Plan
10.17	--	Tax Sharing and Tax Services Agreement dated as November 6, 1996 among the Company, Ingram Industries, and Ingram Entertainment
10.18	--	Master Services Agreement dated as of November 6, 1996 among the Company, Ingram Industries, and Ingram Entertainment
10.19	--	Employee Benefits Transfer and Assumption Agreement dated as of November 6, 1996 among the Company, Ingram Industries, and Ingram Entertainment
10.20	--	Data Center Services Agreement dated as of November 6, 1996 among the Company, Ingram Book Company, and Ingram Entertainment Inc.
10.21	--	Amended and Restated Exchange Agreement dated as of November 6, 1996 among the Company, Ingram Industries, Ingram Entertainment and the other parties thereto
10.22	--	Agreement dated as of August 26, 1996 between the Company and Jerre L. Stead (incorporated by reference to Exhibit 10.22 to the IPO S-1)
10.23	--	Definitions for Ingram Funding Master Trust Agreements (incorporated by reference to Exhibit 10.23 to the IPO S-1)
10.24	--	Asset Purchase and Sale Agreement dated as of February 10, 1993 between Ingram Industries and Ingram Funding (incorporated by reference to Exhibit 10.24 to the IPO S-1)
10.25	--	Pooling and Servicing Agreement dated as of February 10, 1993 among Ingram Funding, Ingram Industries and Chemical Bank (incorporated by reference to Exhibit 10.25 to the IPO S-1)
10.26	--	Amendment No. 1 to the Pooling and Servicing Agreement dated as of February 12, 1993, the Asset Purchase and Sale Agreement dated as of February 12, 1993, and the Liquidity Agreement dated as of February 12, 1993 (incorporated by reference to Exhibit 10.26 to the IPO S-1)
10.27	--	Certificate Purchase Agreement dated as of July 23, 1993 (incorporated by reference to Exhibit 10.27 to the IPO S-1)
10.28	--	Schedule of Certificate Purchase Agreements (incorporated by reference to Exhibit 10.28 to the IPO S-1)
10.29	--	Series 1993-1 Supplement to Ingram Funding Master Trust Pooling and Servicing Agreement dated as of July 23, 1993 (incorporated by reference to Exhibit 10.29 to the IPO S-1)
10.30	--	Schedule of Supplements to Ingram Funding Master Trust Pooling and Servicing Agreement dated as of July 23, 1993 (incorporated by reference to Exhibit 10.30 to the IPO S-1)
10.31	--	Letter of Credit Reimbursement Agreement dated as of February 10, 1993 (incorporated by reference to Exhibit 10.31 to the IPO S-1)

10.32	--	Liquidity Agreement dated as of February 10, 1993 (incorporated by reference to Exhibit 10.32 to the IPO S-1)
10.33	--	Amendment No. 2 to the Pooling and Servicing Agreement dated as of February 12, 1993, the Asset Purchase and Sale Agreement dated as of February 12, 1993, and the Liquidity Agreement dated as of February 12, 1993 (incorporated by reference to Exhibit 10.33 to the IPO S-1)
10.34	--	Agreement dated as of October 10, 1996 between the Company and Michael J. Grainger (incorporated by reference to Exhibit 10.34 to the IPO S-1)
10.35	--	Form of Repurchase Agreement (incorporated by reference to Exhibit 10.35 to the IPO S-1)
21.01	--	Subsidiaries of the Registrant (incorporated by reference to Exhibit 21.01 to the IPO S-1)
23.01	--	Consent of Price Waterhouse LLP
23.02	--	Consent of Davis Polk & Wardwell (included in their opinion filed as Exhibit 5.01)
24.01	--	Powers of Attorney of certain officers and directors of the Registrant (see page II-5 and II-6)

(b) Financial Statement Schedules

See Schedule II on page S-1. All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable or the information is contained in the Consolidated Financial Statements and related notes and therefore have been omitted.

Item 17. Undertakings.

The undersigned registrant hereby undertakes that:

(1) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Company of expenses incurred or paid by a director, officer or controlling person of the Company in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Company will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(2) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(3) For the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Ingram Micro Inc. has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Santa Ana, State of California, on this 18th day of November, 1996.

Ingram Micro Inc.

By: /s/ Michael J. Grainger

Name: Michael J. Grainger
Title: Executive Vice President and Worldwide Chief Financial Officer

POWER OF ATTORNEY

The Registrant and each person whose signature appears below constitutes and appoints Jerre L. Stead, James E. Anderson, Jr. and Michael J. Grainger, and any agent for service named in this Registration Statement and each of them, his, her, or its true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him, her, or it and in his, her, or its name, place and stead, in any and all capacities, to sign and file (i) any and all amendments (including post-effective amendments) to this Registration Statement, with all exhibits thereto, and other documents in connection therewith, and (ii) a registration statement, and any and all amendments thereto, relating to the offering covered hereby filed pursuant to Rule 462(b) under the Securities Act of 1933, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and things requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he, she, or it might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to

be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Jerre L. Stead Jerre L. Stead	Chief Executive Officer (Principal Executive Officer); Chairman of the Board	November 18, 1996
/s/ Michael J. Grainger Michael J. Grainger	Executive Vice President and Worldwide Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	November 18, 1996
/s/ Martha R. Ingram Martha R. Ingram	Director	November 18, 1996
/s/ John R. Ingram John R. Ingram	Director	November 18, 1996
/s/ David B. Ingram David B. Ingram	Director	November 18, 1996
/s/ Philip M. Pfeffer Philip M. Pfeffer	Director	November 18, 1996
/s/ Don H. Davis, Jr. Don H. Davis, Jr.	Director	November 18, 1996
/s/ J. Phillip Samper J. Phillip Samper	Director	November 18, 1996
/s/ Joe B. Wyatt Joe B. Wyatt	Director	November 18, 1996

INGRAM MICRO INC.

SCHEDULE II --VALUATION AND QUALIFYING ACCOUNTS
(in thousands)

Description	Balance at beginning of year	Charged to costs and expenses	Other(*)	Deductions	Balance at end of year
Allowance for doubtful accounts receivable and sales returns:					
1995	$25,668	$24,168	$673	$(19,718)	$30,791
1994	18,594	20,931	(4)	(13,853)	25,668
1993	12,928	17,492	2,343	(14,169)	18,594
Inventory Obsolescence:					
1995	$10,706	$13,199	$207	$(11,867)	$12,245
1994	9,431	9,410	257	(8,392)	10,706
1993	6,076	6,587	121	(3,353)	9,431

- ---
* Other includes recoveries, acquisitions and the effect of fluctuations in foreign currency.

Exhibit 5.01

DAVIS POLK & WARDWELL
450 LEXINGTON AVENUE
NEW YORK, NY 10017

writer's direct number
212-450-4000

November 18, 1996

Ingram Micro Inc.
1600 E. St. Andrew Place
Santa Ana, CA 92705

Re: Ingram Micro Inc. Registration Statement on Form S-1
Relating to the sale by the Ingram Thrift Plan from time to time
of up to 800,000 shares of Class A Common Stock of Ingram Micro Inc.

Ladies and Gentlemen:

We have acted as counsel to Ingram Micro Inc. (the "Company") in connection with the Company's Registration Statement on Form S-1 (the "Registration Statement") filed with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Securities Act"), for the registration for sale by the Ingram Thrift Plan from time to time of up to 800,000 shares (the "Shares") of the Company's Class A Common Stock, par value $0.01 per share (the "Common Stock"), issuable pursuant to the Company's Rollover Stock Option Plan (the "Plan").

We have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials and other instruments as we have deemed necessary for the purposes of rendering this opinion.

On the basis of the foregoing and assuming the due execution and delivery of certificates representing the Shares, we are of the opinion that the Shares have been duly authorized and, when and to the extent issued upon conversion of a like number of shares of the Company's Class B Common Stock, par value $0.01per share, pursuant to the Company's Certificate of Incorporation, will be validly issued, fully paid and non-assessable.

If the Company files an abbreviated registration statement (the "Rule 462(b) Registration Statement"), which incorporates the Registration Statement, to register additional shares of Common Stock (the "Additional Shares") pursuant to Rule 462(b) under the Securities Act, for purposes of the preceding opinion, any reference therein to the "Shares" shall be deemed to include the Additional Shares.

We are members of the Bar of the State of New York and the foregoing opinion is limited to the laws of the State of New York, the federal laws of the United States of America and the General Corporation Law of the State of Delaware.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement, and if filed, the Rule 462(b) Registration Statement. We also consent to the reference to our name under the caption "Legal Matters" in the Prospectus contained in the Registration Statement, and if filed, the Rule 462(b) Registration Statement.

Very truly yours,

/S/ DAVIS POLK & WARDWELL

US $1,000,000,000

CREDIT AGREEMENT

dated as of October 30, 1996

among

INGRAM MICRO INC.,
INGRAM EUROPEAN COORDINATION CENTER N.V.,
INGRAM MICRO SINGAPORE PTE LTD.
and
INGRAM MICRO INC. (Canada),
as Borrowers and Guarantors,

CERTAIN FINANCIAL INSTITUTIONS,
as the Lenders,

NATIONSBANK OF TEXAS, N.A.,
as Administrative Agent
for the Lenders,

and

THE BANK OF NOVA SCOTIA,
as Documentation Agent for the Lenders,

and

THE CHASE MANHATTAN BANK,
DG BANK DEUTSCHE GENOSSENSCHAFTSBANK,
CAYMAN ISLANDS BRANCH
THE FIRST NATIONAL BANK OF CHICAGO,
THE INDUSTRIAL BANK OF JAPAN,
LIMITED, ATLANTA AGENCY
and
ROYAL BANK OF CANADA,
as Co-Agents

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CREDIT AGREEMENT

THIS CREDIT AGREEMENT, dated as of October 30, 1996, among INGRAM MICRO INC., a Delaware corporation ("Micro"), INGRAM EUROPEAN COORDINATION CENTER N.V., a company organized and existing under the laws of The Kingdom of Belgium ("Coordination Center"), INGRAM MICRO SINGAPORE PTE LTD., a corporation organized and existing under the laws of Singapore ("Micro Singapore"), INGRAM MICRO INC., a corporation organized and existing under the laws of Ontario, Canada ("Micro Canada", and, collectively with Coordination Center and Micro Singapore, the "Supplemental Borrowers"), the financial institutions parties hereto (together with their respective successors and permitted assigns and any branch or affiliate of a financial institution funding a Loan as permitted by Section 5.6, collectively, the "Lenders"), NATIONSBANK OF TEXAS, N.A. ("NationsBank"), as administrative agent for the Lenders (in such capacity, the "Administrative Agent"), THE BANK OF NOVA SCOTIA ("Scotiabank"), as documentation agent for the Lenders (in such capacity, the "Documentation Agent" and, collectively with the Administrative Agent, the "Agents"), and THE CHASE MANHATTAN BANK, DG BANK DEUTSCHE GENOSSENSCHAFTSBANK, CAYMAN ISLANDS BRANCH, THE FIRST NATIONAL BANK OF CHICAGO, THE INDUSTRIAL BANK OF JAPAN, LIMITED, ATLANTA AGENCY, and ROYAL BANK OF CANADA, as co-agents (collectively in such capacity, the "Co-Agents").

WHEREAS, Micro and its Subsidiaries (such capitalized term and all other capitalized terms used herein having the meanings provided in Section 1.1) are engaged primarily in the business of the wholesale distribution of microcomputer software and hardware products, multimedia products, customer financing, assembly and configuration and other related wholesaling, distribution and service activities; and

WHEREAS, Micro wishes to obtain:

(a) for itself Commitments from all the Lenders for Pro-Rata Credit Extensions to be made prior to the Commitment Termination Date in an aggregate amount in Dollars not to exceed the Total Credit Commitment Amount at any one time outstanding, such Credit Extensions being available on a committed basis as

(i) Pro-Rata Revolving Loans, and

(ii) Pro-Rata Letters of Credit in an aggregate amount at any time issued and outstanding not to exceed $250,000,000;

(b) for itself and each other Borrower a protocol whereby each such Borrower may, prior to the Commitment Termination Date and to the extent the aggregate Commitments shall be unused and available from time to time, request that any Lender make Non-Rata Revolving Loans and issue Non-Rata Letters of Credit in any Available Currency, subject to a limit on all Outstanding Credit Extensions consisting of Non-Rata Credit Extensions of $750,000,000 in the aggregate; and

(c) for itself and each other Borrower a protocol whereby each such Borrower may, prior to the Commitment Termination Date and to the extent the aggregate Commitments shall be unused and available from time

to time, request that the Lenders make Bid Rate Loans, subject to a limit on all Outstanding Credit Extensions consisting of Non-Rata Credit Extensions of $750,000,000 in the aggregate; and

WHEREAS, each Borrower is willing to guarantee all Obligations of each other Borrower on a joint and several basis; and

WHEREAS, the Lenders are willing, pursuant to and in accordance with the terms of this Agreement:

(a) to extend severally Commitments to make, from time to time prior to the Commitment Termination Date, Pro-Rata Credit Extensions in an aggregate amount at any time outstanding not to exceed the excess of the Total Credit Commitment Amount over the then Outstanding Credit Extensions;

(b) to consider from time to time prior to the Commitment Termination Date, in each Lender's sole and absolute discretion and without commitment, making Non-Rata Revolving Loans and issuing Non-Rata Letters of Credit in an aggregate principal amount not to exceed the excess of the Total Credit Commitment Amount over the then Outstanding Credit Extensions, subject to a limit on all Outstanding Credit Extensions consisting of Non-Rata Credit Extensions of $750,000,000 in the aggregate; and

(c) to consider quoting bids to make from time to time prior to the Commitment Termination Date, in each Lender's sole and absolute discretion and without commitment, Bid Rate Loans in an aggregate principal amount not to exceed the excess of the Total Credit Commitment Amount over the then Outstanding Credit Extensions, subject to a limit on all Outstanding Credit Extensions consisting of Non-Rata Credit Extensions of $750,000,000 in the aggregate; and

WHEREAS, the proceeds of the initial Credit Extensions will be used through repayment of intercompany advances to refinance all amounts outstanding under the Existing Industries Credit Agreement, and to repay other Indebtedness required to be repaid and to make other payments required to be made, in each case in connection with the consummation of the transactions referred to in Section 6.1.12, and the proceeds of all subsequent Credit Extensions will be used for general corporate purposes (including, working capital, Acquisitions (so long as such Borrower has complied with Section 8.1.7), and liquidity support for commercial paper borrowings) of each Borrower and its Subsidiaries;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.1. Defined Terms. The following terms (whether or not in bold type) when used in this Agreement, including its preamble and recitals, shall, except where the context otherwise requires, have the following meanings (such meanings to be equally applicable to the singular and plural forms thereof):

"Absolute Interest Rate" is defined in Section 3.5.3.

"Absolute Interest Rate Auction" means a solicitation of Quotes setting forth Absolute Interest Rates pursuant to Section 3.5.3.

"Absolute Interest Rate Loans" means Bid Rate Loans, the interest rate on which is determined on the basis of Absolute Interest Rates pursuant to an Absolute Interest Rate Auction.

"Acceding Borrower" is defined in Section 6.3.

"Accession Request and Acknowledgment" means a request for accession duly completed and executed by an Authorized Person of the applicable Acceding Borrower and acknowledged by an Authorized Person of each Guarantor, substantially in the form of Exhibit T hereto.

"Acquisition" shall mean any transaction, or any series of related transactions, by which Micro and/or any of its Subsidiaries directly or indirectly (a) acquires any ongoing business or all or substantially all of the assets of any Person or division thereof, whether through purchase of assets, merger or otherwise, (b) acquires (in one transaction or as the most recent transaction in a series of transactions) control of at least a majority in ordinary voting power of the securities of a Person which have ordinary voting power for the election of directors or (c) otherwise acquires control of a more than 50% ownership interest in any such Person.

"Additional Guarantor" means each other Subsidiary of Micro as shall from time to time become a Guarantor in accordance with Section 8.1.10.

"Additional Guaranty" is defined in Section 8.1.10. and means a guaranty, in the form of Exhibit J attached hereto, duly executed and delivered by an Authorized Person of each Additional Guarantor, as amended, supplemented, restated or otherwise modified from time to time.

"Additional Permitted Liens" means, as of any date, Liens securing Indebtedness and not described in clauses (a) through (l) of Section 8.2.2, but only to the extent that the sum (without duplication) of (a) the Amount of Additional Liens on such date plus (b) the Total Indebtedness of Subsidiaries (other than any Subsidiary that is a Guarantor) on such date does not exceed

fifteen percent (15%) of Consolidated Tangible Net Worth on such date.

"Administrative Agent" is defined in the preamble and includes each other Person as shall have subsequently been appointed as the successor Administrative Agent pursuant to Section 10.4.

"Affiliate" of any Person means any other Person which, directly or indirectly, controls, is controlled by or is under common control with such Person (excluding any trustee under, or any committee with responsibility for administering, any Plan). A Person shall be deemed to be "controlled by" any other Person if such other Person possesses, directly or indirectly, power:

(a) to vote, in the case of any Lender Party, ten percent (10%) or more or, in the case of any other Person, thirty-five percent (35%) or more, of the securities (on a fully diluted basis) having ordinary voting power, for the election of directors or managing general partners; or

(b) in the case of any Lender Party or any other Person, to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"Affiliate Transaction" is defined in Section 8.2.6.

"Agents" is defined in the preamble.

"Agreement" means this Credit Agreement, as amended, supplemented, restated or otherwise modified from time to time in accordance with its terms.

"Amount of Additional Liens" means, at any date, the aggregate principal amount of Indebtedness secured by Additional Permitted Liens on such date.

"Applicable Margin" means, for any LIBO Rate Loan or Pro-Rata Letter of Credit (i) for any day during the period from and including the Effective Date, through and including the date the Administrative Agent shall receive the reports and financial statements of Micro and its Consolidated Subsidiaries required to be delivered pursuant to Section 8.1.1(a) hereof (together with the Compliance Certificate required to be delivered contemporaneously therewith pursuant to Section 8.1.1(d) hereof) for the Fiscal Year ending on the Saturday nearest December 31, 1996, .250 of 1% per annum and (ii) for any day subsequent to the date the Administrative Agent shall receive the reports, financial statements and Compliance Certificate described in the preceding clause (i), the corresponding rate per annum set forth in the table below, determined by reference to: (a) the lower of the two highest ratings from time to time assigned to Micro's long-term senior unsecured debt by S&P, Moody's and Fitch and either published or otherwise evidenced in writing by the applicable rating agency and made available to the Administrative Agent (including both "express" and "indicative" or "implied" (or equivalent) ratings) or (b) the ratio (calculated pursuant to clause (c) of Section 8.2.3) of Consolidated Funded Debt to Consolidated EBITDA for the Fiscal Period most recently ended prior to such day, for which financial statements and reports have been received by the Administrative Agent pursuant to Section 8.1.1(a) or (b), whichever results in the lower Applicable Margin:

Micro's Long-Term Senior Unsecured Debt Ratings by S&P, Moody's and Fitch, respectively	Ratio of Consolidated Funded Debt to Consolidated EBITDA	LIBO Rate Loan Applicable Margin
A-, A3 or A- (or higher)	Less than 1.5	.160%
BBB+, Baa1 or BBB+	Greater than or equal to 1.5, but less than 2.0.	.215%
BBB, Baa2 or BBB	Greater than or equal to 2.0, but less than 2.5.	.250%
BBB-, Baa3 or BBB-	Greater than or equal to 2.5, but less than 3.0.	.275%
BB+, Ba1 or BB+	Greater than or equal to 3.0, but less than 3.25.	.400%
Lower than BB+, Ba1 or BB+	Greater than or equal to 3.25.	.625%

Any change in the Applicable Margin pursuant to clause (ii)(a) above, will be effective as of the day subsequent to the date on which S&P, Moody's or Fitch, as the case may be, releases the applicable change in its rating of Micro's long-term senior unsecured debt.

"Authorized Person" means those officers or employees of each Obligor whose signatures and incumbency shall have been certified to the Administrative Agent pursuant to Section 6.1.1.

"Available Credit Commitment" means, relative to any Lender at any time, the excess of such Lender's Percentage multiplied by the then Total Credit Commitment Amount over such Lender's then Outstanding Credit Extensions (it being understood that no reduction shall be made for any Non-Rata Credit Extension).

"Available Currency" means for the purposes of any Non-Rata Revolving Loans and Non-Rata Letters of Credit, Dollars, Canadian Dollars, Singapore Dollars, Hong Kong Dollars, Swiss Francs, Belgian Francs, French Francs, Guilders, Sterling, Marks, Lira, Mexican Pesos, Pesetas, Yen, Krona, Danish Krone, Norwegian Krone, Schillings, Ringgit, Won, European Currency Units and other mutually agreed currencies.

"Belgian Francs" means the lawful currency of The Kingdom of Belgium.

"Bid Rate Borrowing" has the meaning set forth in Section 3.5.2.

"Bid Rate Loan" means a loan made to a Borrower under Section 3.5.

"Bid Rate Note" means a promissory note of a Borrower payable to a Lender, in the Form of Exhibit A-2 hereto (as such promissory note may be amended, endorsed or otherwise modified from time to time), evidencing the aggregate Indebtedness of such Borrower to such Lender resulting from Bid Rate Loans, and also means all other promissory notes accepted from time to time in substitution therefor or as a renewal thereof.

"Board Representation Agreement" means the Board Representation Agreement delivered to the Administrative Agent pursuant to Section 6.1.1(c), among Micro and the "Family Stockholders" (as defined therein) listed on the signature pages thereof, as in effect on the date so delivered without giving effect to any amendment, waiver, supplement or modification thereafter, except for any such amendment, waiver, supplement or modification that does not materially alter the terms thereof (excluding from such exception however, any such amendment, waiver, supplement or modification that in any way expands the scope of or materially affects the definition of "Family Stockholders" set forth therein).

"Borrowers" means, collectively, Micro and the Supplemental Borrowers party to this Agreement from time to time, together with their respective successors and assigns.

"Borrower's Account" means such account maintained by a Borrower for purposes of Section 3.5.5, as such Borrower may notify the Lenders from time to time.

"Borrowing" means the Pro-Rata Revolving Loans of the same Type and, in the case of any LIBO Rate Loan, having the same Interest Period, made by all Lenders on the same Business Day and pursuant to the same Borrowing Request in accordance with Section 2.1.

"Borrowing Request" means a loan request and certificate for Pro-Rata Revolving Loans duly completed and executed by an Authorized Person of Micro, substantially in the form of Exhibit B hereto.

"Business Day" means:

(a) any day which is neither a Saturday or Sunday nor a legal holiday on which banks are authorized or required to be closed in New York City or Dallas, Texas;

(b) relative to the making of any payment in respect of any Credit Extension denominated in an Available Currency other than Dollars, any day on which dealings in such Available Currency are carried on in the relevant local money market;

(c) relative to the making, continuing, prepaying or repaying of any LIBO Rate Loans, any day which is a Business Day described in clause (a) above and which is also a day on which dealings in Dollars are carried on in the London interbank eurodollar market; and

(d) with respect to any payment, notice or other event relating to any Non-Rata Credit Extension, any day on which banks are open for business in the location of the lending office of the Lender making such Non-Rata Credit Extension available.

"Canadian Dollars" means lawful currency of Canada.

"Capitalized Lease Liabilities" of any Person means, at any time, any obligation of such Person at such time to pay rent or other amounts under a lease of (or other agreement conveying the right to use) real and/or personal property, which obligation is, or in accordance with GAAP (including FASB Statement 13) is required to be, classified and accounted for as a capital lease on a balance sheet of such Person at the time incurred; and for purposes of this Agreement the amount of such obligation shall be the capitalized amount thereof determined in accordance with such FASB Statement 13.

"Co-Agents" is defined in the preamble.

"Code" means the Internal Revenue Code of 1986, as amended and as in effect from time to time, and any rules and regulations promulgated thereunder.

"Commitment" means, relative to each Lender, its obligation under clause (a) of Section 2.1 to make Pro-Rata Revolving Loans and under clause (b) of Section 2.1 to participate in Pro-Rata Letters of Credit and drawings thereunder.

"Commitment Extension Request" means a request for the extension of the Commitment Termination Date duly executed by an Authorized Person of Micro, substantially in the form of Exhibit S attached hereto.

"Commitment Termination Date" means the fifth anniversary of the date hereof, or the earlier date of termination in whole of the Commitments pursuant to Section 2.3, 9.2 or 9.3.

"Compliance Certificate" means a report duly completed, with substantially the same information as set forth in Exhibit E attached hereto, as such Exhibit E may be amended, supplemented, restated or otherwise modified from time to time.

"consolidated", "consolidating" and any derivative thereof each means, with reference to the accounts or financial reports of any Person, the consolidated accounts or financial reports of such Person and each Subsidiary of such Person determined in accordance with GAAP, including principles of

consolidation, consistent with those applied in the preparation of the consolidated financial statements of Micro referred to in Section 7.6.

"Consolidated Assets" means, at any date, the total assets of Micro and its Consolidated Subsidiaries as at such date in accordance with GAAP.

"Consolidated Current Assets" means, at any date, all amounts which would be included as current assets on a consolidated balance sheet of Micro and its Consolidated Subsidiaries as at such date in accordance with GAAP.

"Consolidated Current Liabilities" means, at any date, all amounts which would be included as current liabilities on a consolidated balance sheet of Micro and its Consolidated Subsidiaries as at such date in accordance with GAAP, excluding any such current liabilities constituting Current Maturities of Funded Debt at such date.

"Consolidated Current Ratio" means, at any date, the ratio of:

(a) Consolidated Current Assets as at such date, to

(b) Consolidated Current Liabilities as at such date.

"Consolidated EBITDA" means, for any period, Consolidated Net Income adjusted by adding thereto the amount of Consolidated Interest Charges that were deducted in arriving at Consolidated Net Income for such period and all amortization of intangibles, taxes, depreciation and any other non-cash charges that were deducted in arriving at Consolidated Net Income for such period.

"Consolidated Funded Debt" means, as of any date of determination, the total of all Funded Debt of Micro and its Consolidated Subsidiaries outstanding on such date, after eliminating all offsetting debits and credits between Micro and its Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of Micro and its Subsidiaries in accordance with GAAP.

"Consolidated Interest Charges" means, with respect to any period, the sum (without duplication) of the following (in each case, eliminating all offsetting debits and credits between Micro and its Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of Micro and its Subsidiaries in accordance with GAAP):

(a) aggregate net interest expense in respect of Indebtedness of Micro and its Subsidiaries (including imputed interest on Capitalized Lease Liabilities) deducted in determining Consolidated Net Income for such period plus, to the extent not deducted in determining Consolidated Net Income for such period, the amount of all interest previously capitalized or deferred that was amortized during such period, and

(b) all debt discount and expense amortized or required to be amortized in the determination of Consolidated Net Income for such period, and

(c) all attributable interest and fees in lieu of interest associated with any securitizations by Micro or any of its Subsidiaries.

"Consolidated Liabilities" means, at any date, the sum of all obligations of Micro and its Consolidated Subsidiaries as at such date in accordance with GAAP.

"Consolidated Net Income" means, for any period, the consolidated net income of Micro and its Consolidated Subsidiaries as reflected on a statement of income of Micro and its Consolidated Subsidiaries for such period in accordance with GAAP.

"Consolidated Retained Receivables" means, at any date, the face amount (calculated in Dollars but net of any amount allocated to the relevant Trade Account Receivable with respect to any reserve or similar allowance for doubtful payment) of all Trade Accounts Receivable of Micro and its Consolidated Subsidiaries outstanding as at such date (including, in the case of any receivables that have been sold, assigned or otherwise transferred to a trust, the amount of such receivables net of any amount of Consolidated Transferred Receivables determined with respect thereto, it being agreed for the avoidance of doubt that Consolidated Retained Receivables shall not include any Consolidated Transferred Receivables).

"Consolidated Stockholders' Equity" means, at any date:

(a) Consolidated Assets as at such date, less

(b) Consolidated Liabilities as at such date.

"Consolidated Subsidiary" means any Subsidiary whose financial statements are required in accordance with GAAP to be consolidated with the consolidated financial statements delivered by Micro from time to time in accordance with Section 8.1.1.

"Consolidated Tangible Net Worth" means, at any date:

(a) Consolidated Stockholders' Equity as at such date plus the accumulated after-tax amount of non-cash charges and adjustments to income and Consolidated Stockholders' Equity attributable to employee stock options and stock purchases through such date, less

(b) goodwill and other Intangible Assets of Micro and its Consolidated Subsidiaries.

"Consolidated Transferred Receivables" means, at any date, the face amount (calculated in Dollars but net of any amount allocated by Micro or any of its Consolidated Subsidiaries to the relevant Trade Account Receivable with respect to any reserve or similar allowance for doubtful payment) of all Trade Accounts Receivable originally payable to the account of Micro or any of its Consolidated Subsidiaries, which have not been discharged at such date and in respect of which Micro's or any such Consolidated Subsidiary's rights and interests, have, on or prior to such date, been sold, assigned or otherwise transferred, in whole or in part, to any Person other than Micro or any of its Consolidated Subsidiaries (either directly or by way of such Person holding an undivided interest in a specified amount of Trade Accounts Receivable sold, assigned or otherwise transferred to a trust).

"Contingent Liability" means any agreement, undertaking or arrangement by which any Person guarantees, endorses or otherwise becomes or is contingently liable (by direct or indirect agreement, contingent or otherwise) to provide funds for payment, to supply funds to, or otherwise to invest in, a debtor, or obligation or any other liability of any other Person (other than by endorsements of instruments in the course of collection), or guarantees the payment of dividends or other distributions upon the shares of any other person, if the primary purpose or intent thereof by the Person incurring the Contingent Liability is to provide assurance to the obligee of such obligation of another Person that such obligation of such other Person will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such obligation will be protected (in whole or in part) against loss in respect thereof. The amount of any Person's obligation under any Contingent Liability shall (subject to any limitation set forth therein) be deemed to be the outstanding principal amount of the debt, obligation or other liability guaranteed thereby.

"Continuation/Conversion Notice" means a notice of continuation or conversion and certificate for Pro-Rata Revolving Loans duly completed and executed by an Authorized Person of Micro, substantially in the form of Exhibit D attached hereto.

"Controlled Group" means all members of a controlled group of corporations and all members of a controlled group of trades or businesses (whether or not incorporated) under common control which, together with Micro, are treated as a single employer under Section 414(b) or 414(c) of the Code or Section 4001 of ERISA.

"Coordination Center" is defined in the preamble.

"Coordination Center Guaranty" means a guaranty, in the form of Exhibit G-1 attached hereto, duly executed and delivered by an Authorized Person of Coordination Center, as amended, supplemented, restated or otherwise modified from time to time.

"Credit Commitment Amount" means, relative to any Lender at any time, such Lender's Percentage multiplied by the then Total Credit Commitment Amount as in effect at such time.

"Credit Extension" means, as the context may require,

(a) any Pro-Rata Credit Extension; or

(b) the making of a Non-Rata Credit Extension by the relevant Lender.

"Credit Extension Request" means, as the context may require, a Borrowing Request, a Continuation/Conversion Notice or an Issuance Request.

"Current Maturities of Funded Debt" means, at any time and with respect to any item of Funded Debt, the portion of such Funded Debt outstanding at such time which by the terms of such Funded Debt or the terms of any instrument or agreement relating thereto is due on demand or within one year from such time (whether by sinking fund, other required prepayment or final payment at maturity) and is not directly or indirectly renewable, extendible or refundable at the option of the obligor under an agreement or firm commitment in effect at such time to a date one year or more from such time.

"Danish Krone" means the lawful currency of Denmark.

"Default" means any Event of Default or any condition, occurrence or event which, after notice or lapse of time or both, would constitute an Event of Default.

"Disbursement Date" is defined in Section 3.2.2.

"Disclosure Schedule" means the Disclosure Schedule attached hereto as Schedule I, as the same may be amended, supplemented or otherwise modified from time to time by Micro with the consent of the Administrative Agent and the Required Lenders.

"Documentation Agent" is defined in the preamble and includes each other Person as shall have subsequently been appointed as the successor Documentation Agent pursuant to Section 10.4.

"Dollar" and the sign "$" each mean the lawful currency of the United States.

"Dollar Amount" means, at any date:

(a) with respect to an amount denominated in Dollars, such amount as at such date; and

(b) with respect to an amount denominated in any other Available Currency, the amount of Dollars into which such Available Currency is convertible into Dollars, as at such date and on the terms herein provided.

"Effective Date" is defined in Section 11.8.

"Effective Date Certificate" means a certificate duly completed and executed by an Authorized Person of Micro, substantially in the form of Exhibit F hereto.

"Eligible Assignee" means (i) a commercial bank organized under the laws of the United States, or any State thereof; (ii) a commercial bank organized under the laws of any other country that is a member of the Organization for Economic Cooperation and Development or has concluded special lending arrangements with the International Monetary Fund associated with its General Arrangements to Borrow, or a political subdivision of any such country, provided that such bank is acting through a branch or agency located in the United States; (iii) the central bank of any country that is a member of the Organization for Economic Cooperation and Development; (iv) any Lender; or (v) solely during the occurrence and continuance of a Default, a finance company, insurance company or other financial institution or fund (whether a corporation, partnership or other entity) engaged generally in making, purchasing and otherwise investing in commercial loans in the ordinary course of its business; provided, however, that (A) any Person described in clause (i), (ii) or (iii) above shall also (x) have outstanding unsecured indebtedness that is rated A- or better by S&P, A3 or better by Moody's or A- or better by Fitch (or an equivalent rating by another nationally recognized credit rating agency of similar standing if such corporations are no longer in the business of rating unsecured indebtedness of entities engaged in such businesses), (y) have combined capital and surplus (as established in its most recent report of condition to its primary regulator) of not less than $250,000,000 (or its equivalent in foreign currency) and (z) be reasonably acceptable to the Administrative Agent and, so long as no Default shall have occurred and be continuing, Micro, (B) any Person described in clause (v) above shall (x) have combined capital and surplus (as established in its most recent report of condition to its primary regulator) of not less than $250,000,000 (or its equivalent in foreign currency) and (y) be reasonably acceptable to the Administrative Agent and Micro and (C) any Person described in clause (ii), (iii) or (v) above shall, on the date on which it is to become a Lender hereunder, be entitled to receive payments hereunder without deduction or withholding of any United States Federal income taxes.

"Entertainment" means Ingram Entertainment Inc., a Tennessee corporation.

"Environmental Laws" means any and all applicable statutes, laws, ordinances, codes, rules, regulations and binding and enforceable guidelines (including consent decrees and administrative orders binding on any Obligor or any of their respective Subsidiaries), in each case as now or hereafter in effect, relating to human health and safety, or the regulation or protection of the environment, or to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals or toxic or hazardous substances or wastes into the indoor or outdoor environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals or toxic or hazardous substances or wastes issued (presently or in the future) by any Federal, state, or local authority in the United States or any foreign jurisdiction in which any Obligor or any of their respective Subsidiaries is conducting its business.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, together with the rules and regulations promulgated thereunder, in each case as in effect from time to time. References to sections of ERISA also refer to any successor sections.

"Eurocurrency Liabilities" has the meaning assigned to that term in Regulation D of the F.R.S. Board, as in effect from time to time.

"European Currency Units" means the composite currency unit designated as such by the European Community.

"Event of Default" is defined in Section 9.1.

"Excess Amount" is defined in clause (d) of Section 5.9.

"Existing Industries Credit Agreement" means the Amended and Restated Credit Agreement, dated as of May 5, 1995, among the Borrowers (other than Micro Singapore), Industries, Entertainment, Ingram Ohio Barge Co., Ingram Micro Singapore Inc., the various financial institutions parties thereto, and the co-agents, lead managers and European agent named therein, as amended.

"FASB" means the Financial Accounting Standards Board.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to:

(a) the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York; or

(b) if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three federal

funds brokers of recognized standing selected by it.

In the case of a day which is not a Business Day, the Federal Funds Rate for such day shall be the Federal Funds Rate for the next preceding Business Day. For purposes of this Agreement, any change in the Reference Rate due to a change in the Federal Funds Rate shall be effective on the effective date of such change in the Federal Funds Rate.

"Fee Letter" means that certain confidential letter, dated as of the date hereof, among Scotiabank and NationsBank and Micro, relating to certain fees to be paid in connection with this Agreement.

"Fiscal Period" means a fiscal period of Micro or any of its Subsidiaries, which shall be either a calendar quarter or an aggregate period comprised of three (3) consecutive periods of four (4) weeks and five (5) weeks (or, on occasion, six (6) weeks instead of five), currently commencing on or about each January 1, April 1, July 1 or October 1.

"Fiscal Year" means, with respect to any Person, the fiscal year of such Person. The term Fiscal Year, when used without reference to any Person, shall mean a Fiscal Year of Micro, which currently ends on the Saturday nearest December 31.

"Fitch" means Fitch Investors Service, L.P.

"French Francs" means the lawful currency of France.

"F.R.S. Board" is defined in Section 7.17.

"Funded Debt" means, with respect to any Person, all Indebtedness of such Person which by its terms or by the terms of any instrument or agreement relating thereto matures, or which is otherwise payable or unpaid, one year or more from, or is directly or indirectly renewable or extendible at the option of the obligor in respect thereto to a date one year or more (including, without limitation, an option of such obligor under a revolving credit or similar agreement obligating the lender or lenders to extend credit over a period of one year or more) from, the date of the creation thereof, provided that Funded Debt shall include, as at any date of determination, Current Maturities of Funded Debt.

"GAAP" is defined in Section 1.4.

"Guarantee Letter of Credit Obligations" means any contingent legal obligations of any Person to reimburse any financial institution for draws on letters of credit (including those issued pursuant to this Agreement) issued for the account of such Person to support or ensure payment or performance of Indebtedness or obligations of some other Person provided no such draws have been made and such obligation to reimburse is not then due and payable; it being understood that no obligation with respect to any letter of credit (including those issued pursuant to this Agreement) may be treated as both a Reimbursement Obligation and a Guarantee Letter of Credit Obligation.

"Guaranties" means, collectively,

(a) the Micro Guaranty;

(b) the Coordination Center Guaranty;

(c) the Micro Canada Guaranty (Micro);

(d) the Micro Canada Guaranty (Coordination Center/Micro Singapore);

(e) the Micro Singapore Guaranty; and

(f) each Additional Guaranty.

"Guarantors" means, collectively, the Borrowers and each Additional Guarantor.

"Guilders" means the lawful currency of the Kingdom of the Netherlands.

"Hazardous Material" means:

(a) any pollutant or contaminant or hazardous, dangerous or toxic chemical, material or substance that presently or hereafter becomes defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "extremely hazardous wastes", "restricted hazardous wastes", "toxic substances", "toxic pollutants", "contaminants", "pollutants", or terms of similar import within the meaning of any Environmental Law; or

(b) any other chemical or other material or substance, exposure to which is presently or hereafter prohibited, limited or regulated under any Environmental Law.

"herein", "hereof", "hereto", "hereunder" and similar terms contained in this Agreement or any other Loan Document refer to this Agreement or such other Loan Document, as the case may be, as a whole and not to any particular Article, Section, clause, paragraph or provision of this Agreement or such other Loan Document.

"Hong Kong Dollars" means the lawful currency of Hong Kong.

"Impermissible Qualifications" means, relative to the opinion of certification of any independent public accountant engaged by Micro as to any financial statement of Micro and its Consolidated Subsidiaries, any

qualification or exception to such opinion or certification:

(a) which is of a "going concern" or similar nature;

(b) which relates to the limited scope of examination of matters relevant to such financial statement; or

(c) which relates to the treatment or classification of any item in such financial statement and which, as a condition to its removal, would require an adjustment to such item the effect of which would be to cause Micro to be in default of any of its obligations under Section 8.2.3 or 8.2.8.

"including" and "include" mean including without limiting the generality of any description preceding such term.

"Indebtedness" of any Person means and includes the sum of the following (without duplication):

(a) all obligations of such Person for borrowed money, all obligations evidenced by bonds, debentures, notes, investment repurchase agreements or other similar instruments, and all securities issued by such Person providing for mandatory payments of money, whether or not contingent;

(b) all obligations of such Person pursuant to revolving credit agreements or similar arrangements to the extent then outstanding;

(c) all obligations of such Person to pay the deferred purchase price of property or services, except (i) trade accounts payable arising in the ordinary course of business, (ii) other accounts payable arising in the ordinary course of business in respect of such obligations the payment of which has been deferred for a period of 270 days or less, (iii) other accounts payable arising in the ordinary course of business none of which shall be, individually, in excess of $200,000 and (iv) leases of personal property not required to be capitalized under FASB Statement 13;

(d) all obligations of such Person as lessee under Capitalized Lease Liabilities;

(e) all obligations of such Person to purchase securities (or other property) which arise out of or in connection with the sale of the same or substantially similar securities or property excluding any such sales or exchanges for a period of less than 45 days;

(f) all obligations with respect to letters of credit (other than trade letters of credit) and bankers' acceptances issued for the account of such Person;

(g) all Indebtedness of others secured by a Lien of any kind on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided, that the amount of any Indebtedness attributed to any Person pursuant to this clause (g) shall be limited, in each case, to the lesser of (i) the fair market value of the assets of such Person subject to such Lien and (ii) the amount of the other Person's Indebtedness secured by such Lien; and

(h) all guarantees, endorsements and other Contingent Liabilities of or in respect of, or obligations to purchase or otherwise acquire, the Indebtedness of another Person;

provided, however, that it is understood and agreed that the following are not "Indebtedness":

(i) obligations to pay the deferred purchase price for the acquisition of any business (whether by way of merger, sale of stock or assets or otherwise) to the extent that such obligations are contingent upon attaining performance criteria such as earnings and such criteria shall not have been achieved;

(ii) obligations to repurchase securities (A) issued to employees pursuant to any Plan or other contract or arrangement relating to employment upon the termination of their employment or other events, or (B) that may arise out of the transactions contemplated by the Transition Agreements;

(iii) obligations to match contributions of employees under any Plan; and

(iv) guarantees of any Obligor or any of their respective Subsidiaries that are guarantees of performance, reclamation or similar bonds or, in lieu of such bonds, letters of credit used for such purposes issued in the ordinary course of business for the benefit of any Subsidiary of Micro, which would not be included on the consolidated financial statements of any Obligor.

"Indemnified Liabilities" is defined in Section 11.4.

"Indemnified Parties" is defined in Section 11.4.

"Industries" means Ingram Industries Inc., a Tennessee corporation.

"Ineligible Currency" means, with respect to any Non-Rata Revolving Loan denominated in an Available Currency (other than Dollars), a determination by the relevant Lender that the currency in which such Loan is denominated has ceased to be (a) freely convertible into Dollars or (b) a currency for which

there is an active foreign exchange and deposit market in New York City.

"Intangible Assets" means, with respect to any Person, that portion of the book value of the assets of such Person which would be treated as intangibles under GAAP, including all items such as goodwill, trademarks, trade names, brands, trade secrets, customer lists, copyrights, patents, licenses, franchise conversion rights and rights with respect to any of the foregoing and all unamortized debt or equity discount and expenses.

"Interest Period" means, for any LIBO Rate Loan, the period beginning on (and including) the date on which such LIBO Rate Loan is made, continued or converted and ending on (but excluding) the last day of the period selected by Micro pursuant to the provisions below. The duration of each such Interest Period shall be one, three or six months from (and including) the date of such LIBO Rate Loan, ending on (but excluding) the day which numerically corresponds to such date (or, if such month has no numerically corresponding day, on the last Business Day of such month), as Micro may select in its relevant notice pursuant to Section 3.1 or 4.2.3; provided, however, that

(a) Micro shall not be permitted to select Interest Periods for LIBO Rate Loans to be in effect at any one time which have expiration dates occurring on more than 20 different dates;

(b) Interest Periods commencing on the same date for Loans comprising part of the same Borrowing shall be of the same duration;

(c) if such Interest Period would otherwise end on a day which is not a Business Day, such Interest Period shall end on the next following Business Day (unless, if such Interest Period applies to a LIBO Rate Loan, such next following Business Day is the first Business Day of a calendar month, in which case such Interest Period shall end on the Business Day next preceding such numerically corresponding day); and

(d) no Interest Period for any LIBO Rate Loan may end, with respect to each Lender making a part of such Loan, later than the Commitment Termination Date.

"Intra-Group Agreement" means the Intra-Group Agreement, in the form of Exhibit G-2 hereto, duly executed and delivered by Authorized Persons of each Borrower that is a Guarantor, as amended, supplemented, restated or otherwise modified from time to time.

"Investment" means an increase since January 1, 1996 in Consolidated Tangible Net Worth by at least $220,000,000 from (i) an initial public offering by Micro; (ii) other equity offerings or issuances of capital stock; (iii) the exercise of stock options on Micro stock held by present or former employees of Micro, Industries or Entertainment (or any of their respective Subsidiaries); (iv) an irrevocable contribution of cash to the capital of Micro; or (v) a combination of the events described in clauses (i) through (iv) above.

"Investment Prospectus" is defined in Section 6.1.11.

"Issuance Request" means an issuance request for Pro-Rata Letters of Credit duly completed and executed by an Authorized Person of Micro, substantially in the form of Exhibit C hereto.

"Issuer" means either NationsBank or Scotiabank, in its capacity as issuer of the Pro-Rata Letters of Credit, or any Lender in its capacity as issuer of a Non-Rata Letter of Credit. At the request of the Agents, another Lender or an Affiliate of NationsBank or Scotiabank may issue one or more Pro-Rata Letters of Credit hereunder.

"Krona" means the lawful currency of Sweden.

"Lenders" is defined in the preamble.

"Lender Assignment Agreement" means a Lender Assignment Agreement substantially in the form of Exhibit K attached hereto.

"Lender Party" means any of the Lenders, Agents, Co-Agents or Issuers.

"Lending Office" means, relative to any LIBO Rate Loan of a Lender, the LIBOR Office of such Lender designated as such below its signature hereto or in a Lender Assignment Agreement or by notice to the Administrative Agent and Micro from time to time and relative to any Non-Rata Credit Extension, the office that such Lender shall designate.

"Letter of Credit Commitment Amount" means, on any date, a maximum amount of $250,000,000, as such amount may be reduced from time to time pursuant to Section 2.3.

"Letter of Credit Outstandings" means, on any date, the sum (without duplication) of the Dollar Amounts of

(a) the then aggregate amount which is undrawn and available under all Pro-Rata Letters of Credit issued and outstanding (assuming that all conditions for drawing have been satisfied);

plus

(b) the then aggregate amount of all unpaid and outstanding Pro-Rata Reimbursement Obligations.

"Letters of Credit" shall mean, collectively, all Pro-Rata Letters of Credit issued and outstanding and Non-Rata Letters of Credit issued and outstanding.

"LIBO Auction" means a solicitation of Quotes setting forth LIBO Margins based on the LIBO Rate pursuant to Section 3.5.3.

"LIBO Margin" is defined in Section 3.5.3.

"LIBO Market Loan" means a Bid Rate Loan the interest rate on which is determined on the basis of a LIBO Rate pursuant to a LIBO Auction.

"LIBO Rate" means, relative to any Interest Period for LIBO Rate Loans, the rate of interest equal to the average (rounded upwards, if necessary, to the nearest 1/16 of 1% per annum) of the rates per annum at which Dollar deposits in immediately available funds are offered to each Reference Lender's LIBOR Office in the London interbank market at or about 11:00 a.m., London time, two Business Days prior to the beginning of such Interest Period for delivery on the first day of such Interest Period, and in an amount approximately equal to the amount of each such Reference Lender's LIBO Rate Loan and for a period approximately equal to such Interest Period.

"LIBO Rate Loan" means a Pro-Rata Revolving Loan bearing interest, at all times during the Interest Period applicable thereto, at a fixed rate of interest determined by reference to the LIBO Rate.

"LIBOR Reserve Percentage" means, for any Lender, relative to any Interest Period for LIBO Rate Loans, the reserve percentage (expressed as a decimal) equal to the maximum aggregate reserve requirements (including all basic, emergency, supplemental, marginal and other reserves and taking into account any transitional adjustments or other scheduled changes in reserve requirements) specified under regulations issued from time to time by the F.R.S. Board and then applicable to assets or liabilities consisting of and including Eurocurrency Liabilities having a term approximately equal or comparable to such Interest Period.

"Lien" means any security interest, mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise), charge against, valid claim on or interest in property to secure payment of a debt or performance of an obligation or other priority or preferential arrangement of any kind or nature whatsoever (including, without limitation, (a) the lien or retained security title of a conditional vendor, and (b) under any agreement for the sale of Trade Accounts Receivable, the interest of the purchaser (or any assignee of such purchaser which has financed the relevant purchase) in a percentage of receivables of the seller not so sold, held by the purchaser (or such assignee) as a reserve for (i) interest rate protection in the event of a liquidation of the receivables sold, (ii) expenses that would be incurred upon a liquidation of the receivables sold, (iii) losses that might be incurred in the event the amount actually collected from the receivables sold is less than the amount represented in the relevant receivables purchase agreement as collectible, or (iv) any similar purpose (but excluding the interest of a trust in such receivables to the extent that the beneficiary of such trust is Micro or a Subsidiary of Micro).

"Lira" means the lawful currency of the Republic of Italy.

"Loan" means a Pro-Rata Revolving Loan or a Non-Rata Revolving Loan or a Bid Rate Loan.

"Loan Document" means this Agreement, each Note, each Credit Extension Request, each Letter of Credit, the Intra-Group Agreement, each Guaranty, the most recently delivered Compliance Certificate (specifically excluding any other Compliance Certificate previously delivered), any Accession Request and Acknowledgment and any other agreement, document or instrument (excluding any documents delivered solely for the purpose of satisfying disclosure requirements or requests for information) required in connection with this Agreement or the making or maintaining of any Credit Extension and delivered by an Authorized Person.

"Margin Stock" means "margin stock", as such term is defined and used in Regulation U.

"Marks" means the lawful currency of the Federal Republic of Germany.

"Material Adverse Effect" means an event, act, occurrence or other circumstance which results in a material adverse effect on the business, results of operations or financial condition of Micro and its Consolidated Subsidiaries, taken as a whole.

"Material Asset Acquisition" is defined in Section 8.2.5(b).

"Material Subsidiary" means: (a) with respect to any Subsidiary of Micro as of the date hereof, a Subsidiary of Micro that (as of any date of determination), (i) on an average over the three (3) most recently preceding Fiscal Years contributed at least five percent (5%) to Consolidated Net Income, or (ii) on an average at the end of the three (3) most recently preceding Fiscal Years owned assets constituting at least five percent (5%) of Consolidated Assets; and (b) with respect to any Subsidiary of Micro organized or acquired subsequent to the date hereof, a Subsidiary of Micro that as of (i) the date it becomes a Subsidiary of Micro, would have owned (on a pro forma basis if such Subsidiary had been a Subsidiary of Micro at the end of the preceding Fiscal Year) assets constituting at least five percent (5%) of Consolidated Assets at the end of the Fiscal Year immediately prior to the Fiscal Year in which it is organized or acquired, or (ii) any date of determination thereafter, (A) on an average over the three (3) most recently preceding Fiscal Years (or, if less, since the date such Person became a Subsidiary of Micro) contributed at least five percent (5%) to Consolidated Net Income, or (B) on an average at the end of the three (3) (or, if less, such number of Fiscal Year-ends as have occurred since such Person became a

Subsidiary of Micro) most recently preceding Fiscal Years owned assets constituting at least five percent (5%) of Consolidated Assets; provided that Ingram Funding Inc., Distribution Funding Corporation and any other special purpose financing vehicle shall not be Material Subsidiaries.

"Maturity" of any Obligation means the earliest to occur of

(a) the date on which such Obligation expressly becomes due and payable pursuant hereto or any other Loan Document or, in the case of any Obligation incurred in respect of any Non-Rata Revolving Loan or Bid Rate Loan, pursuant to the arrangements entered into by the relevant Borrower and the relevant Lender in connection therewith but in no event beyond the then Commitment Termination Date with respect to such Lender,

(b) the Stated Maturity Date (in the case of Pro-Rata Revolving Loans) where no such due date is specified, and

(c) the date on which such Obligation becomes due and payable pursuant to Section 9.2 or 9.3 or 9.4.

"Mexican Pesos" means the lawful currency of the United States of Mexico.

"Micro" is defined in the preamble.

"Micro Canada" is defined in the preamble.

"Micro Canada Guaranty (Coordination Center/Micro Singapore)" means a guaranty, in the form of Exhibit I-1 attached hereto, duly executed and delivered by an Authorized Person of Micro Canada, as amended, supplemented, restated or otherwise modified from time to time.

"Micro Canada Guaranty (Micro)" means a guaranty, in the form of Exhibit I-2 attached hereto, duly executed and delivered by an Authorized Person of Micro Canada, as amended, supplemented, restated or otherwise modified from time to time.

"Micro Guaranty" means the Guaranty, in the form of Exhibit H attached hereto, duly executed and delivered by an Authorized Person of Micro, as amended, supplemented, restated or otherwise modified from time to time.

"Micro Singapore" is defined in the preamble.

"Micro Singapore Guaranty" means the Guaranty, in the form of Exhibit I-3 attached hereto, duly executed and delivered by an Authorized Person of Micro Singapore, as amended, supplemented, restated or otherwise modified from time to time.

"Moody's" means Moody's Investors Service, Inc.

"NationsBank" is defined in the preamble.

"Non-Rata Credit Extension" means, collectively,

(a) the making of a Non-Rata Revolving Loan by any Lender;

(b) the issuance by any Lender of a Non-Rata Letter of Credit; and

(c) the making of a Bid Rate Loan by any Lender.

"Non-Rata Disbursement Date" is defined in Section 3.4.5.

"Non-Rata Letter of Credit" is defined in Section 3.4.1.

"Non-Rata Reimbursement Obligations" is defined in Section 3.4.6.

"Non-Rata Revolving Loans" is defined in Section 3.3.1.

"Non-Rata Revolving Note" means a promissory note of a Borrower payable to a Lender, in the form of Exhibit A-3 hereto (as such promissory note may be amended, endorsed or otherwise modified from time to time), evidencing the aggregate Indebtedness of such Borrower to such Lender resulting from outstanding Non-Rata Revolving Loans, and also means all other promissory notes accepted from time to time in substitution therefor or renewal thereof.

"Norwegian Krone" means the lawful currency of Norway.

"Note" means, as the context may require, a Revolving Note, a Non-Rata Revolving Note, a Bid Rate Note, or any promissory note of Coordination Center that may be issued from time to time to evidence Non-Rata Revolving Loans made by any Lender to Coordination Center.

"Obligations" means, individually and collectively: (a) the Loans; (b) all Letter of Credit Outstandings and (c) all other indebtedness, liabilities, obligations, covenants and duties of any Borrower owing to the Agents and/or the Lenders of every kind, nature and description, under or in respect of this Agreement or any of the other Loan Documents including, without limitation, any fees, whether direct or indirect, absolute or contingent, due or not due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any note.

"Obligors" means, collectively, the Borrowers and Guarantors.

"Organic Documents" means, relative to any Obligor, any governmental filing or proclamation pursuant to which such Person shall have been created and shall continue in existence (including a charter or certificate or

articles of incorporation or organization, and, with respect to Coordination Center, the Royal Decree) and its by-laws (or, if applicable, partnership or operating agreement) and all material shareholder agreements, voting trusts and similar arrangements to which such Obligor is a party that are applicable to the voting of any of its authorized shares of capital stock (or, if applicable, other ownership interests therein).

"Outstanding Credit Extensions" means, relative to any Lender at any date and without duplication, the sum of the Dollar Amounts of

(a) the aggregate principal amount of all outstanding Loans of such Lender at such date,

plus

(b) such Lender's Percentage of the aggregate Stated Amount of all Pro-Rata Letters of Credit which are outstanding and undrawn (or drawn and unreimbursed) at such date,

plus

(c) the aggregate Stated Amount of all Non-Rata Letters of Credit issued by such Lender which are outstanding and undrawn (or drawn and unreimbursed) at such date.

"Participant" is defined in Section 11.11.2.

"PBGC" means the Pension Benefit Guaranty Corporation and any entity succeeding to any or all of its functions under ERISA.

"Pension Plan" means a "pension plan", as such term is defined in section 3(2) of ERISA, which is subject to Title IV of ERISA (other than a multiemployer plan as defined in section 4001(3) of ERISA), and to which any Obligor or any corporation, trade or business that is, along with Obligor, a member of a Controlled Group, may have liability, including any liability by reason of having been a substantial employer within the meaning of section 4063 of ERISA at any time during the preceding five years, or by reason of being deemed to be a contributing sponsor within the meaning of section 4069 of ERISA.

"Percentage" of any Lender means in the case of (a) each Lender which is a signatory to this Agreement, the percentage set forth opposite such Lender's signature hereto under the caption "Percentage", subject to any modification necessary to give effect to any sale, assignment or transfer made pursuant to Section 11.11.1, or (b) any Transferee Lender, effective upon the occurrence of the relevant purchase by, or assignment to, such Transferee Lender, the portion of the Percentage of the selling, assigning or transferring Lender allocated to such Transferee Lender. With respect to any Lender at any time, "Percentage" shall express the ratio of such Lender's then Available Credit Commitments to the then aggregate Available Credit Commitments of all the Lenders.

"Person" means any natural person, company, partnership, firm, limited liability company or partnership, association, trust, government, governmental agency or any other entity, whether acting in an individual, fiduciary or other capacity.

"Pesetas" means the lawful currency of Spain.

"Plan" means any Pension Plan or Welfare Plan.

"Pro-Rata Credit Extension" means, collectively,

(a) the making of Pro-Rata Revolving Loans by the Lenders; and

(b) the issuance by any Issuer of a Pro-Rata Letter of Credit.

"Pro-Rata Distribution Event" is defined in clause (c) of Section 5.9.

"Pro-Rata Letter of Credit" means an irrevocable letter of credit issued pursuant to Section 3.2.

"Pro-Rata Letter of Credit Commitment" means, with respect to any Issuer of Pro-Rata Letters of Credit, such Issuer's obligations to issue Pro-Rata Letters of Credit pursuant to Section 3.2 and, with respect to each of the other Lenders, the obligations of each such Lender to participate in Pro-Rata Letters of Credit pursuant to such Section.

"Pro-Rata Revolving Loans" is defined in clause (a) of Section 2.1.

"Pro-Rata Reimbursement Obligation" is defined in Section 3.2.3.

"Quarterly Payment Date" means the last day of March, June, September and December of each calendar year or, if any such day is not a Business Day, the next succeeding Business Day.

"Quarterly Report" means a report duly completed, substantially in the form of Exhibit L attached hereto (including, in addition to the information expressly described in Exhibit L hereto, information (including calculations in accordance with the provisions of the last sentence of Section 2.1) regarding the values of the Available Currencies (other than the Dollar) of all Outstanding Credit Extensions consisting of Non-Rata Credit Extensions as of the end of the applicable Fiscal Period), as such Exhibit L may be amended, supplemented, restated or otherwise modified from time to time.

"Quote" means an offer in accordance with Section 3.5.3 by a Lender to make a Bid Rate Loan with one single specified interest rate.

"Quote Request" has the meaning set forth in Section 3.5.2.

"Receiving Lender Party" is defined in clause (d) of Section 5.9.

"Reference Lenders" means Scotiabank, NationsBank, The First National Bank of Chicago and The Chase Manhattan Bank.

"Reference Rate" means, on any date and with respect to all Reference Rate Loans, a fluctuating rate of interest per annum equal to

(a) at all times other than the last five Business Days of each calendar quarter, the rate of interest most recently announced or established by NationsBank as its reference rate for Dollar loans; and

(b) during the last five Business Days of each calendar quarter, the higher of (i) the rate set forth in the preceding clause (a) and (ii) the Federal Funds Rate plus 1/2 of 1%.

The Reference Rate is not necessarily intended to be the lowest rate of interest determined by NationsBank in connection with extensions of credit. Changes in the rate of interest on that portion of any Pro-Rata Revolving Loans maintained as Reference Rate Loans will take effect simultaneously with each change in the Reference Rate. The Administrative Agent will give notice promptly to Micro and the Lenders of changes in the Reference Rate.

"Reference Rate Loan" means a Pro-Rata Revolving Loan bearing interest at a fluctuating rate of interest determined by reference to the Reference Rate.

"Regulation U" is defined in Section 7.17.

"Regulatory Change" means any change after the date hereof in any (or the promulgation after the date hereof of any new):

(a) law applicable to any class of banks (of which any Lender Party is a member) issued by (i) any competent authority in any country or jurisdiction, or (ii) any competent international or supra-national authority; or

(b) regulation, interpretation, directive or request (whether or not having the force of law) applicable to any class of banks (of which any Lender Party is a member) of any court, central bank or governmental authority or agency charged with the interpretation or administration of any law referred to in clause (a) of this definition or of any fiscal, monetary or other authority having jurisdiction over any Lender Party.

"Reimbursement Obligations" shall mean, collectively, all Pro-Rata Reimbursement Obligations and Non-Rata Reimbursement Obligations.

"Release" means a "release", as such term is defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended and as in effect from time to time (42 United States Code Section 9601 et seq.), and any rules and regulations promulgated thereunder.

"Relevant Issuer" is defined in Section 8.2.7.

"Remaining Lender" is defined in clause (a) of Section 2.2.

"Replacement Notice" is defined in Section 5.12.

"Required Currency" is defined in Section 5.8.2.

"Required Lenders" means, at any time, Lenders having an aggregate Percentage of at least 65%.

"Revolving Note" means a promissory note of Micro payable to a Lender, in the form of Exhibit A-1 hereto (as such promissory note may be amended, endorsed or otherwise modified from time to time), evidencing the aggregate Indebtedness of Micro to such Lender resulting from outstanding Pro-Rata Revolving Loans, and also means all other promissory notes accepted from time to time in substitution therefor or renewal thereof.

"Ringgit" means the lawful currency of Malaysia.

"Royal Decree" means the Royal Decree of The Kingdom of Belgium recognizing Coordination Center as a coordination center under Belgian law, as the same may from time to time be amended, supplemented or otherwise modified by any new Royal Decree relating to the recognition of the Coordination Center as a coordination center under Belgium law.

"S&P" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc.

"Schillings" means the lawful currency of the Republic of Austria.

"Scotiabank" is defined in the preamble.

"Singapore Dollars" means the lawful currency of Singapore.

"Stated Amount" for any Letter of Credit on any day means the amount which is undrawn and available under such Letter of Credit on such day (after giving effect to any drawings thereon on such day).

"Stated Expiry Date" is defined in Section 3.2.

"Stated Maturity Date" means, for each Lender, in the case of any

Pro-Rata Revolving Loan, the then-effective Commitment Termination Date.

"Sterling" means the lawful currency of the United Kingdom of England and Wales.

"Subject Lender" is defined in Section 5.12.

"Subsidiary" means, with respect to any Person, any corporation, company, partnership or other entity of which more than fifty percent (50%) of the outstanding shares or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors of, or other persons performing similar functions for, such corporation, company, partnership or other entity (irrespective of whether at the time shares or other ownership interests of any other class or classes of such corporation, company, partnership or other entity shall or might have voting power upon the occurrence of any contingency) is at the time directly or indirectly owned by such Person, by such Person and one or more other Subsidiaries of such Person, or by one or more other Subsidiaries of such Person.

"Supplemental Borrowers" is defined in the preamble, and such term shall include any Acceding Borrowers party to this Agreement from time to time, together with their respective successors and assigns.

"Swiss Francs" means the lawful currency of Switzerland.

"Tax Credit" is defined in Section 5.7.

"Tax Payment" is defined in Section 5.7.

"Taxes" is defined in Section 5.7.

"Total Credit Commitment Amount" means, at any time, $1,000,000,000, as such amount may be reduced from time to time pursuant to Section 2.3.

"Total Indebtedness" means, at any date, the aggregate of all Indebtedness on such date of Micro and its Subsidiaries, without duplication and after eliminating all offsetting debits and credits between Micro and its Subsidiaries and all other items required to be eliminated in accordance with GAAP.

"Total Indebtedness of Subsidiaries" means, at any date, the aggregate of all Indebtedness on such date of all the Subsidiaries of Micro, without duplication and after eliminating all offsetting debits and credits between each of such Subsidiaries or between such a Subsidiary and Micro and all other items required to be eliminated in accordance with GAAP, excluding (a) all Indebtedness of any Subsidiary of Micro outstanding on the date hereof or incurred pursuant to any commitment or line of credit in its favor in effect on the date hereof, and any renewals or replacements thereof, so long as such renewals or replacements do not increase the amount of such Indebtedness or such commitments or lines of credit and (b) any Indebtedness of Ingram Funding Inc., Distribution Funding Corporation or any other special purpose financing vehicle incurred in connection with their purchase, directly or indirectly, from Micro or any of Micro's other Subsidiaries, of Trade Accounts Receivable or interests therein.

"Trade Accounts Receivable" means, with respect to any Person, all rights of such Person to the payment of money arising out of any sale, lease or other disposition of goods or rendition of services by such Person.

"Transferee Lender" is defined in Section 11.11.1.

"Transition Agreements" means those agreements and other instruments entered into by Micro, Industries, Entertainment and certain other Persons on or before the date hereof in connection with a series of related transactions through which Micro and Entertainment cease to be Subsidiaries of Industries, in each case as summarized in the annexes attached to the certificate referred to in Section 6.1.12, each as in effect on the date hereof (or, if later, the date the Investment is consummated), without giving effect to any amendment, modification or supplement thereafter except for such amendments, modifications or supplements after the date hereof, which, individually or taken as whole, do not materially alter the terms of such Transition Agreement or adversely affect Micro or any of its Subsidiaries.

"Type" means, relative to any Loan, the portion thereof, if any, being maintained as a Reference Rate Loan or a LIBO Rate Loan.

"United States" or "U.S." means the United States of America, its fifty States and the District of Columbia.

"Voting Stock" means, (a) with respect to a corporation, the stock of such corporation the holders of which are ordinarily, in the absence of contingencies, entitled to elect members of the board of directors (or other governing body) of such corporation, (b) with respect to any partnership, the partnership interests in such partnership the owners of which are entitled to manage the affairs of the partnership or vote in connection with the management of the affairs of the partnership or the designation of another Person as the Person entitled to manage the affairs of the partnership, and (c) with respect to any limited liability company, the membership interests in such limited liability company the owners of which are entitled to manage the affairs of such limited liability company or entitled to elect managers of such limited liability company (it being understood that, in the case of any partnership or limited liability company, "shares" of Voting Stock shall refer to the partnership interests or membership interests therein, as the case may be).

"Welfare Plan" means a "welfare plan", as such term is defined in section 3(1) of ERISA.

"Withdrawing Lender" is defined in clause (a) of Section 2.2.

"Won" means the lawful currency of the Republic of Korea.

"Yen" means the lawful currency of Japan.

SECTION 1.2. Use of Defined Terms. Unless otherwise defined or the context otherwise requires, terms for which meanings are provided in this Agreement shall have such meanings when used in the Disclosure Schedule and in each Credit Extension Request, each other Loan Document, and each notice and other communication delivered from time to time in connection with this Agreement or any other Loan Document.

SECTION 1.3. Cross-References. Unless otherwise specified, references in this Agreement and in each other Loan Document to any Article, Section, clause or definition are references to such clause or definition of this Agreement or such other Loan Document, as the case may be, and, unless otherwise specified, references in any Article, Section, clause or definition to any section are references to such section of such Article, Section, clause or definition.

SECTION 1.4. Accounting and Financial Determinations.

(a) Unless otherwise specified, all accounting terms used herein or in any other Loan Document shall be interpreted, and all accounting determinations and computations hereunder or thereunder (including under Section 8.2.3) shall be made, in accordance with those U.S. generally accepted accounting principles ("GAAP") as applied in the preparation of the financial statements of Micro and its Consolidated Subsidiaries delivered pursuant to clause (a) of Section 6.1.5; provided, however, that the financial statements required to be delivered pursuant to clauses (a) and (b) of Section 8.1.1 shall be prepared in accordance with GAAP as in effect from time to time and the quarterly financial statements required to be delivered pursuant to clause (b) of Section 8.1.1 are not required to contain footnote disclosures required by GAAP and shall be subject to ordinary year-end adjustments.

(b) If, after the date hereof, there shall be any change to the Borrower's Fiscal Year, or any modification in GAAP used in the preparation of the financial statements delivered pursuant to clause (a) of Section 6.1.5 (whether such modification is adopted or imposed by FASB, the American Institute of Certified Public Accountants or any other professional body) which changes result in a change in the method of calculation of financial covenants, standards or terms found in this Agreement, the parties hereto agree promptly to enter into negotiations in order to amend such financial covenants, standards or terms so as to reflect equitably such changes, with the desired result that the evaluations of the Borrower's financial condition shall be the same after such changes as if such changes had not been made; provided, however, that until the parties hereto have reached a definitive agreement on such amendments, the Borrower's financial condition shall continue to be evaluated on the same principles as those used in the preparation of the financial statements delivered pursuant to clause (a) of Section 6.1.5.

SECTION 1.5. Calculations. Unless otherwise expressly stated to the contrary in this Agreement or in any other Loan Document, all calculations made for purposes of this Agreement, each other Loan Document and the transactions contemplated hereby and thereby shall be made to two decimal places.

ARTICLE II

COMMITMENTS, ETC.

SECTION 2.1. Commitments. On the terms and subject to the conditions of this Agreement (including ARTICLE VI), each Lender severally agrees that it will, from time to time on any Business Day occurring prior to the Commitment Termination Date,

(a) make loans in Dollars ("Pro-Rata Revolving Loans") to Micro equal to such Lender's Percentage of the aggregate amount of the Borrowing to be made on such Business Day, all in accordance with Section 3.1; provided, however, that no Lender shall be permitted or required to make any Pro-Rata Revolving Loan if, after giving effect thereto,

(i) such Lender's Outstanding Credit Extensions (excluding for this calculation Non-Rata Credit Extensions) would exceed an amount equal to such Lender's Percentage multiplied by the then Total Credit Commitment Amount, or

(ii) the aggregate Outstanding Credit Extensions of all the Lenders would exceed the then Total Credit Commitment Amount; and

(b) purchase participation interests in Dollars equal to its Percentage in each Pro-Rata Letter of Credit issued upon the application of Micro pursuant to Section 3.2; provided, however, that no Issuer (with respect to Pro-Rata Letters of Credit) shall issue a Pro-Rata Letter of Credit if, after giving effect thereto,

(i) the aggregate Letter of Credit Outstandings would exceed the then Letter of Credit Commitment Amount, or

(ii) the aggregate Outstanding Credit Extensions of all the

Lenders would exceed the then Total Credit Commitment Amount.

All Pro-Rata Revolving Loans and Pro-Rata Letters of Credit (and drawings thereunder) shall be denominated solely in, and repaid in, Dollars. On and subject to the conditions hereof, Micro may from time to time borrow, prepay and reborrow Pro-Rata Revolving Loans and may apply for, extinguish or reimburse drawings made under and re-apply for Pro-Rata Letters of Credit. For purposes of this Section 2.1 and Section 3.3.3, the Dollar Amount on any date of Non-Rata Revolving Loans denominated in an Available Currency (other than Dollars) shall be calculated based upon the spot rate at which Dollars are offered on such day for such Available Currency which appears on Telerate Page 3740 at approximately 11:00 a.m. (London time) (and if such spot rate is not available on Telerate Page 3740 as of such time, such spot rate as quoted by NationsBank, in London at approximately 11:00 a.m. (London time)).

SECTION 2.2. Extensions of the Commitment Termination Date.

(a) If the Commitment Termination Date has not occurred, Micro may, on any Business Day occurring not earlier than May 1st, nor later than June 30th of the year immediately preceding the year in which the then-effective Commitment Termination Date occurs, deliver by registered or certified mail, return receipt requested, or by overnight courier service in the case of domestic deliveries (or the equivalent courier service in the case of deliveries outside of the United States) in which an acknowledgment of receipt of delivery is required from the recipient thereof, to each Lender (with a copy thereof to the Administrative Agent) three counterparts of a Commitment Extension Request appropriately completed. Not later than July 31st of the year immediately preceding the year in which the then-effective Commitment Termination Date occurs, each Lender shall, by appropriately completing, executing and delivering to Micro and the Administrative Agent the Commitment Extension Request delivered to it, indicate whether or not it intends to extend its Commitment pursuant to this Section 2.2. Any Lender failing to return its Commitment Extension Request to Micro as provided in the preceding sentence shall be deemed to have declined the extension of its Commitments as contemplated by this Section 2.2. Not later than August 15th of the year immediately preceding the year in which the then-effective Commitment Termination Date occurs, the Administrative Agent shall notify all of the Lenders as to the identity of those Lenders that have indicated their intention not to extend their respective Commitments (each a "Withdrawing Lender") and those Lenders that have extended their Commitments (each a "Remaining Lender").

(b) In the event that, as of the date the Administrative Agent delivers the notice provided for in the last sentence of paragraph (a) above, (i) neither NationsBank nor Scotiabank shall be a Remaining Lender and (ii) the Remaining Lenders shall hold, in the aggregate, less than 75% of the Commitments, then from such date until a date not later than August 31st of the year immediately preceding the year in which the then-effective Commitment Termination Date occurs, each Remaining Lender shall have the right to revoke (by delivering written notice thereof to Micro and the Administrative Agent) its consent to such extension of its Commitment provided pursuant to paragraph (a) of this Section (thereby becoming a Withdrawing Lender hereunder as of the day of such revocation). From and after the date the Administrative Agent delivers the notice provided for in the last sentence of paragraph (a) of this Section until a date not later than September 15th of the year immediately preceding the year in which the then-effective Commitment Termination Date occurs, the Remaining Lenders shall have the right to assume the Commitments of any Withdrawing Lenders in proportion to their respective share of the Commitments of such Remaining Lenders. If, as of September 30th of the year immediately preceding the year in which the then-effective Commitment Termination Date occurs, the Remaining Lenders hold, in the aggregate, less than 75% of the Commitments (after giving effect to any assumptions of the Commitments of Withdrawing Lenders completed in accordance with the preceding sentence on or prior to such date), the Commitments of all Lenders shall terminate and any Outstanding Credit Extensions will mature and be payable in full on the then-effective Commitment Termination Date.

(c) If, as of September 30th of the year immediately preceding the year in which the then-effective Commitment Termination Date occurs, the Remaining Lenders hold, in the aggregate, 75% or more of the Commitments (after giving effect to any assumptions of the Commitments of Withdrawing Lenders completed in accordance with the penultimate sentence of paragraph (b) above on or prior to such date), the Commitments of each Remaining Lender (including any Commitments assumed by any Remaining Lender in accordance with the penultimate sentence of paragraph (b) above) shall be extended for a period of one year (365 days or, if appropriate, 366 days) from the then-effective Commitment Termination Date, subject to the satisfaction of the conditions precedent to extension of the Commitments set forth in paragraph (f) of this Section. In the event the requirements for extension of the Commitments set forth in the preceding sentence shall be satisfied, from and after October 1st of the year immediately preceding the year in which the then-effective Commitment Termination Date occurs until a date not later than 30 days prior to the then-effective Commitment Termination Date, Micro may enter into an agreement with one or more new financial institutions reasonably acceptable to the Agents or with any Remaining Lender to assume the Commitments of the Withdrawing Lenders which have not been assumed in accordance with the penultimate sentence of paragraph (b) above. Any Commitments assumed by Remaining Lenders or new financial institutions in accordance with the preceding sentence shall be extended for a period of one year (365 days or, if appropriate, 366 days) from the then-effective Commitment Termination Date, subject to the satisfaction of the conditions precedent to extension of the Commitments set forth in paragraph (f) of this Section.

(d) In the event the Commitments are extended in accordance with this Section, the Outstanding Credit Extensions made by any Withdrawing Lender that are not assumed or purchased pursuant to paragraph (b) or (c) of this Section will mature and be payable in full on the then-effective Commitment Termination Date, and the Commitments of each such Withdrawing Lender shall thereupon terminate. On the then-effective Commitment Termination Date, the Total Credit Commitment Amount will be automatically reduced by an amount equal to the product of

(i) the sum of the Percentages of all the Withdrawing Lenders that were not assumed or purchased pursuant to paragraph (b) or (c) of this Section, and

(ii) the Total Credit Commitment Amount on such Commitment Termination Date immediately prior to such calculation.

The Percentages of the Remaining Lenders shall be adjusted by the Administrative Agent based upon each such Remaining Lender's pro rata share of the remaining Total Credit Commitment Amount.

(e) The decision of each Lender to extend its Commitments or assume or purchase the Commitments of any Withdrawing Lender pursuant to this Section 2.2 shall be exercised by it in its sole and absolute discretion, including without reference to any or all of the stated desires of any other Lender Party or Micro. All assignments made pursuant to this Section 2.2 shall be made in accordance with Section 11.11.1, except that any such assignment may be in any minimum amount or multiple thereof which results from the operation of this Section 2.2 and shall not require the consent of Micro or the Administrative Agent.

(f) Any extension of the Commitments in accordance with this Section shall become effective only upon (i) the satisfaction of the requirements for extension set forth herein and (ii) the delivery by Micro to the Administrative Agent and each Lender, on or prior to the then-effective Commitment Termination Date, of (A) executed replacement Notes reflecting, without limitation, any changes in the identity or Percentages of the Lender Parties and the Total Credit Commitment Amount, and (B) copies of such other legal opinions, approvals, instruments or documents as the Administrative Agent or any Remaining Lender may reasonably request. Upon their receipt of the replacement Notes required to be delivered pursuant to clause (A) above, the Remaining Lenders shall mark the relevant predecessor Notes "exchanged" and deliver the same to Micro.

SECTION 2.3. Reductions of the Commitment Amounts. Micro may, from time to time on any Business Day, voluntarily reduce the Total Credit Commitment Amount or the Letter of Credit Commitment Amount; provided, however, that

(a) all such reductions shall require at least three and not more than five Business Days' prior notice to the Administrative Agent and shall be permanent, and any partial reduction thereof shall be in a minimum amount of $10,000,000 and in an integral multiple of $1,000,000 (or, if less, in an amount equal to the Total Credit Commitment Amount at such time); and

(b) Micro shall not voluntarily reduce the Total Credit Commitment Amount or the Letter of Credit Commitment Amount pursuant to this Section to an amount which, on the date of proposed reduction, is less than the aggregate Outstanding Credit Extensions of all the Lenders.

ARTICLE III

BORROWING PROCEDURES, LETTERS OF CREDIT AND REGISTERS

SECTION 3.1. Borrowing Procedure for Pro-Rata Revolving Loans.

(a) On any Business Day occurring on or prior to the Commitment Termination Date, Micro may from time to time irrevocably request, by delivering on or prior to 1:00 p.m., Eastern time, on such Business Day a Borrowing Request to the Administrative Agent, (i) in the case of LIBO Rate Loans, not less than three nor more than five Business Days before the date of the proposed Borrowing, or (ii) in the case of Reference Rate Loans, on or before the Business Day of but not more than three Business Days before the date of the proposed Borrowing, that a Borrowing be made in a minimum amount of $25,000,000 and an integral multiple of $1,000,000, or if less, in the unused amount of the Total Credit Commitment Amount. Upon the receipt of each Borrowing Request, the Administrative Agent shall give prompt notice thereof to each Lender on the same day such Borrowing Request is received. On the terms and subject to the conditions of this Agreement, each Borrowing shall be comprised of the Type of Loans, and shall be made on the Business Day, specified in such Borrowing Request. On or before 2:30 p.m., Eastern time, on such Business Day, each Lender shall deposit with the Administrative Agent (to an account specified by the Administrative Agent to each Lender from time to time) same day funds in an amount equal to such Lender's Percentage of the requested Borrowing.

To the extent funds are received from the Lenders, the Administrative Agent shall make such funds available to Micro by wire transfer to the accounts Micro shall have specified in its Borrowing Request. No Lender's obligation to make any Pro-Rata Revolving Loan shall be affected by any other Lender's failure to make any Pro-Rata

Revolving Loan.

(b) Each Lender's Pro-Rata Revolving Loans shall be evidenced by a single Revolving Note payable to such Lender. Micro hereby irrevocably authorizes each Lender to make (or cause to be made) appropriate entries and endorsements on Schedule I to the Revolving Note payable to such Lender, which entries, if made, shall evidence, inter alia, the date of, the Type of, the advance period (if applicable) of, the Maturity of, the outstanding principal of, interest payable on and any repayments of Pro-Rata Revolving Loans made by such Lender to Micro pursuant hereto. Any such entries indicating the outstanding principal amount of such Lender's Pro-Rata Revolving Loans and interest payable thereon shall be prima facie evidence of the principal amount thereof owing and unpaid and interest payable thereon, but the failure to make any such entry shall not limit or otherwise affect the obligations of Micro hereunder to make payments of principal of or interest on such Pro-Rata Revolving Loans when due.

SECTION 3.2. Pro-Rata Letter of Credit Issuance Procedures. By delivering to the Administrative Agent an Issuance Request on or before 1:00 p.m., Eastern time, on any Business Day occurring prior to the Commitment Termination Date, Micro may from time to time request that an Issuer (with respect to Pro-Rata Letters of Credit) issue a Pro-Rata Letter of Credit. Each such request shall be made on not less than two Business Days' notice (or such shorter period as may be agreed to by the Administrative Agent), and not less than 30 days prior to the Commitment Termination Date. Upon receipt of an Issuance Request, the Administrative Agent shall promptly on the same day notify the applicable Issuer (if other than NationsBank or Scotiabank) and each Lender thereof. Each Pro-Rata Letter of Credit shall by its terms be denominated in Dollars and be stated to expire (whether originally or after giving effect to any extension) on a date (its "Stated Expiry Date") no later than three days prior to the Commitment Termination Date. Micro and the relevant Issuer may amend or modify any issued Pro-Rata Letter of Credit upon written notice to the Administrative Agent only; provided, however, that (A) any amendment constituting an extension of such Pro-Rata Letter of Credit's Stated Expiry Date shall comply with the provisions of the immediately preceding sentence and may be made only if the Commitment Termination Date has not occurred and (B) any amendment constituting an increase in the Stated Amount of such Pro-Rata Letter of Credit shall be deemed a request for the issuance of a new Pro-Rata Letter of Credit and shall comply with the foregoing provisions of this paragraph.

Upon satisfaction of the terms and conditions hereunder, the relevant Issuer will issue each Pro-Rata Letter of Credit to be issued by it and will make available to the beneficiary thereof the original of such Pro-Rata Letter of Credit.

SECTION 3.2.1. Other Lenders' Participation. Automatically, and without further action, upon the issuance of each Pro-Rata Letter of Credit, each Lender (other than the Issuer of such Pro-Rata Letter of Credit) shall be deemed to have irrevocably purchased from the relevant Issuer, to the extent of such Lender's Percentage (and without giving effect to the outstanding Non-Rata Credit Extensions, if any, of any Lender), a participation interest in such Pro-Rata Letter of Credit (including any Pro-Rata Reimbursement Obligation and any other Contingent Liability with respect thereto), and such Lender shall, to the extent of its Percentage, be responsible for reimbursing promptly (and in any event within one Business Day after receipt of demand for payment from the Issuer, together with accrued interest from the day of such demand) the relevant Issuer for any Pro-Rata Reimbursement Obligation which has not been reimbursed in accordance with Section 3.2.3. In addition, such Lender shall, to the extent of its Percentage, be entitled to receive a ratable portion of the Pro-Rata Letter of Credit participation fee payable pursuant to clause (a) of Section 4.3.3 with respect to each Pro-Rata Letter of Credit and a ratable portion of any interest payable pursuant to Sections 3.2.2. and 4.2.

SECTION 3.2.2. Disbursements. Subject to the terms and provisions of each Pro-Rata Letter of Credit and this Agreement, upon presentment under any Pro-Rata Letter of Credit to the Issuer thereof for payment, such Issuer shall make such payment to the beneficiary (or its designee) of such Pro-Rata Letter of Credit on the date designated for such payment (the "Disbursement Date"). Such Issuer will promptly notify Micro and each of the Lenders of the presentment for payment of any such Pro-Rata Letter of Credit, together with notice of the Disbursement Date thereof. Prior to 12:00 noon, Eastern time, on the next Business Day following the Disbursement Date, Micro will reimburse the Administrative Agent, for the account of such Issuer, for all amounts disbursed under such Pro-Rata Letter of Credit, together with all interest accrued thereon since the Disbursement Date. To the extent the Administrative Agent does not receive payment in full, on behalf of the relevant Issuer on the Disbursement Date, Micro's Pro-Rata Reimbursement Obligation shall accrue interest at a fluctuating rate equal to the Reference Rate plus 1/2 of 1% per annum, payable on demand. In the event Micro fails to notify the Administrative Agent and the relevant Issuer prior to 1:00 p.m., Eastern time, on the Disbursement Date that Micro intends to pay the Administrative Agent, for the account of such Issuer, for the amount of such drawing with funds other than proceeds of Pro-Rata Revolving Loans, or the Administrative Agent does not receive such reimbursement payment from Micro prior to 1:00 p.m., Eastern time on the Disbursement Date (or if the relevant Issuer must for any reason return or disgorge such reimbursement), the Administrative Agent shall promptly notify the Lenders, and Micro shall be deemed to have given a timely Borrowing Request as of the Disbursement Date for Pro-Rata Revolving Loans in an aggregate principal amount equal to such Pro-Rata Reimbursement Obligation and the Lenders (including the relevant Issuer) shall, on the terms and subject to the conditions of this Agreement (including, without limitation, Sections 6.1 and 6.2 hereof), make Pro-Rata Revolving Loans in the amount of

such Pro-Rata Reimbursement Obligation which shall be Reference Rate Loans as provided in Section 3.1; provided, however, that for the purpose of determining the availability of any unused Total Credit Commitment Amount immediately prior to giving effect to the application of the proceeds of such Pro-Rata Revolving Loans, such Pro-Rata Reimbursement Obligation shall be deemed not to be outstanding at such time. In the event that the conditions precedent to any Pro-Rata Revolving Loans deemed requested by Micro as provided in the preceding sentence shall not be satisfied at the time of such deemed request, the Lenders (including the relevant Issuer) shall make demand loans on such date for the benefit of Micro, ratably, in accordance with their respective Percentages, which loans shall: (a) aggregate in principal amount an amount equal to the applicable Pro-Rata Reimbursement Obligations; (b) be applied solely to the prompt satisfaction of such Pro-Rata Reimbursement Obligations; (c) be payable by Micro upon demand; and (d) accrue interest on the unpaid principal amount thereof from (and including) the date on which such demand loan is made until the date such loan is paid by Micro in full, at a rate per annum equal to the Reference Rate plus 2% per annum.

SECTION 3.2.3. Reimbursement. The obligation (the "Pro-Rata Reimbursement Obligation") of Micro under Section 3.2.2. to reimburse the relevant Issuer with respect to each disbursement under a Pro-Rata Letter of Credit (including interest thereon), and, upon the failure of Micro to reimburse such Issuer, the obligation of each Lender to reimburse such Issuer, shall be absolute and unconditional under any and all circumstances and irrespective of any set-off, counterclaim or defense to payment which Micro or such Lender, as the case may be, may have or have had against the relevant Issuer or any Lender, including any defense based upon the failure of any disbursement under a Pro-Rata Letter of Credit to conform to the terms of the applicable Pro-Rata Letter of Credit (if, in the relevant Issuer's good faith opinion, such disbursement is determined to be appropriate) or any non-application or misapplication by the beneficiary of the proceeds of such Pro-Rata Letter of Credit; provided, however, that nothing herein shall require Micro or such Lender, as the case may be, to reimburse an Issuer for any wrongful disbursement made by such Issuer under a Pro-Rata Letter of Credit as a result of acts or omissions finally determined by a court of competent jurisdiction to constitute gross negligence or willful misconduct on the part of such Issuer.

SECTION 3.2.4. Deemed Disbursements. Upon the occurrence and during the continuation of any Event of Default of the type described in Section 9.1.9 or, with notice from the Administrative Agent given at the direction of the Required Lenders, upon the occurrence and during the continuation of any other Event of Default, an amount equal to the then aggregate amount of all Letters of Credit (including Non-Rata Letters of Credit) which are undrawn and available under all issued and outstanding Letters of Credit shall, without demand upon or notice to Micro, be deemed to have been paid or disbursed by the Issuer under such Letters of Credit (notwithstanding that such amount may not in fact have been so paid or disbursed) and Micro shall be immediately obligated to pay to the Issuer of each Letter of Credit an amount equal to such amount. Any amounts so payable by Micro pursuant to this Section shall be deposited in cash with the Administrative Agent and held in trust (for the sole benefit of the relevant Issuer and the Lenders) for payment of the Obligations arising in connection with such Letters of Credit. If such Event of Default shall have been cured or waived (and provided no other Default has occurred and is continuing and the Obligations have not been accelerated pursuant to Section 9.2 or 9.3), the Administrative Agent shall promptly return to Micro all amounts deposited by it with the Administrative Agent pursuant to this clause (together with accrued interest thereon at the Federal Funds Rate or such other interest rate based upon a cash equivalent investment (in the form of obligations issued by or guaranteed by the U.S. government, commercial paper of a domestic corporation rated A-1 by S&P or a comparable rating from another nationally recognized rating agency or certificates of deposit of a U.S. or Canadian bank with (x) a credit rating of Aa or better by S&P or a comparable rating from another nationally recognized rating agency and (y) a combined capital and surplus greater than $250,000,000) which is agreed to between the relevant Issuer and Micro), net of any amount (which may include accrued interest) applied to the payment of any Obligations with respect to the Pro-Rata Letters of Credit.

SECTION 3.2.5. Nature of Reimbursement Obligations. Micro and, to the extent set forth in Section 3.2.1, each Lender shall assume all risks of the acts, omission or misuse of any Letter of Credit by the beneficiary thereof. No Issuer (with respect to Pro-Rata Letters of Credit and Non-Rata Letters of Credit) or any Lender (except to the extent of its own gross negligence or willful misconduct) shall be responsible for:

(a) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for an issuance of a Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged;

(b) the form, validity, sufficiency, accuracy, genuineness or legal effect of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or the proceeds thereof in whole or in part, which may prove to be invalid or ineffective for any reason;

(c) failure of the beneficiary to comply fully with conditions required in order to demand payment under a Letter of Credit; provided, however, if a payment is made pursuant to such Letter of Credit when a beneficiary has failed to comply with the conditions therefor and such failure to comply is manifest on the face of such Letter of Credit or the documents submitted by the beneficiary in connection therewith, Micro shall be required to indemnify the Issuer in connection therewith only if, and to the extent, Micro or any of its Subsidiaries has

received the benefit of such payment on such Letter of Credit by one or more of their obligations being satisfied, either in whole or in part;

(d) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, telecopy or otherwise; or

(e) any loss or delay in the transmission or otherwise of any document or draft required in order to make a disbursement under a Letter of Credit.

None of the foregoing shall affect, impair or prevent the vesting of any of the rights or powers granted to any Issuer or any Lender hereunder. In furtherance and extension and not in limitation or derogation of any of the foregoing (but subject to the limitations set forth in clause (c) above), any action taken or omitted to be taken by an Issuer in good faith (and not constituting gross negligence or willful misconduct as finally determined by a court of competent jurisdiction) shall be binding upon Micro and, with respect to Pro-Rata Letters of Credit, each Lender, and shall not put such Issuer under any resulting liability to Micro or, with respect to Pro-Rata Letters of Credit, any Lender.

SECTION 3.3. Non-Rata Revolving Loan Facility.

SECTION 3.3.1. Non-Rata Revolving Loans. Any Borrower may from time to time, on any Business Day prior to the Commitment Termination Date, request that any Lender make a Loan (relative to such Lender, a "Non-Rata Revolving Loan") denominated in any Available Currency. The Borrower shall make such request to the applicable office of such Lender set forth on Schedule II or to such other office as a Lender may notify the Borrowers pursuant to Section 11.2. Such Lender may in its sole and absolute discretion agree to make or not make such Non-Rata Revolving Loan, it being understood and agreed that the Lenders' Commitments only require the making by them of Pro-Rata Revolving Loans and participation in or issuance of Pro-Rata Letters of Credit (subject to the terms and conditions contained herein). Except as otherwise provided herein and subject in each case to the satisfaction of the applicable conditions precedent set forth in Sections 6.1 and 6.2 hereof, each Non-Rata Revolving Loan shall be made on the terms and conditions agreed to between the relevant Borrower and the relevant Lender; provided, however, that the Obligations of Micro with respect to each Pro-Rata Credit Extension shall rank pari passu with the Obligations of each Borrower with respect to each Non-Rata Revolving Loan.

SECTION 3.3.2. Ineligible Currencies. Notwithstanding any other provision contained in this Agreement, if, at any time prior to the Commitment Termination Date, the relevant Lender of a Non-Rata Revolving Loan determines that the Available Currency in which such Non-Rata Revolving Loan has been made is an Ineligible Currency, then such Lender may (in its sole discretion) at any time notify the relevant Borrower of the same. Promptly after receiving such notice and, in any event, within five Business Days of receiving the same, such Borrower will notify such Lender as to what Available Currency it desires such Non-Rata Revolving Loan to be converted into and promptly thereafter such Lender shall so convert such Loans. If the relevant Borrower fails to select another Available Currency as provided in the preceding sentence, such other Available Currency shall be selected by the relevant Lender. Such conversion shall be effected at the relevant spot rate at which such Ineligible Currency is offered on such day for the selected Available Currency which appears on Telerate Page 3740 at approximately 11:00 a.m. (London time) (and if such spot rate is not available on Telerate Page 3740 as of such time, such spot rate as quoted by NationsBank, in London at approximately 11:00 a.m. (London time)), or, if no such spot rate shall exist, such other rate of exchange as the relevant Lender shall reasonably determine.

SECTION 3.3.3. Limitations on Making Non-Rata Revolving Loans. Subject to the last sentence of Section 2.1, no Lender shall be permitted to make any Non-Rata Revolving Loan if, after giving effect thereto, either the aggregate Outstanding Credit Extensions of all the Lenders would exceed the then Total Credit Commitment Amount or the aggregate Outstanding Credit Extensions consisting of Non-Rata Credit Extensions would exceed $750,000,000.

SECTION 3.3.4. Procedure for Making Non-Rata Revolving Loans. Subject to the terms and conditions of this Agreement, including Section 3.3.1, the terms of each Non-Rata Revolving Loan shall be mutually agreed upon between the relevant Borrower and the relevant Lender. If the relevant Borrower and the relevant Lender agree to an interest rate for a Non-Rata Revolving Loan by reference to a fixed rate of interest (such as, for example, the LIBO Rate) to be subsequently determined and such Lender subsequently determines (which determination shall be conclusive and binding on the relevant Borrower and such Lender) on or prior to the scheduled date of making such Non-Rata Revolving Loan and promptly notifies the relevant Borrower that such interest rate is unascertainable or that deposits in the relevant interbank market are not available to such Lender in the relevant Available Currency, then such Lender (except to the extent otherwise agreed between such Lender and the relevant Borrower) shall not be obligated to make such Non-Rata Revolving Loan. In connection with each Lender agreeing to make a Non-Rata Revolving Loan calculated based upon a fixed rate of interest, such Lender shall, in accordance with its customary practices, attempt to determine the relevant interest rate or obtain the relevant deposits in the relevant Available Currency necessary to make such Non-Rata Revolving Loan.

SECTION 3.3.5. Maturity of Non-Rata Revolving Loans. Subject to Section 3.3.2, each Non-Rata Revolving Loan shall be repaid in the Available Currency in which such Loan was made on the Maturity thereof or on any earlier date agreed upon by the relevant Borrower and the relevant Lender or required by the other terms and conditions of this Agreement. Each Borrower may prepay any Non-Rata Revolving Loan on such terms and

conditions as such Borrower and the relevant Lender may agree.

SECTION 3.3.6. Non-Rata Revolving Loan Records. Subject to Section 3.3.7, each Lender's Non-Rata Revolving Loans shall be evidenced by a loan account maintained by such Lender. Each Borrower hereby irrevocably authorizes the relevant Lender to make (or cause to be made) appropriate account entries, which account entries, if made, shall evidence, inter alia, the date of, the Type of, the currency of, the advance period (if applicable) of, the Maturity of, the outstanding principal of, interest payable on and any repayments of Non-Rata Revolving Loans made by such Lender to such Borrower pursuant hereto. Any such account entries indicating the outstanding principal amount of such Lender's Non-Rata Revolving Loans and interest payable thereon shall be prima facie evidence of the principal amount thereof owing and unpaid and interest payable thereon, but the failure to make any such entry shall not limit or otherwise affect the obligations of any Borrower hereunder to make payments of principal of or interest on such Non-Rata Revolving Loans when due.

SECTION 3.3.7. Quarterly Report. During the period commencing on the date hereof and ending on the Commitment Termination Date, Micro shall submit (together with each set of reports and financial statements of Micro and its Consolidated Subsidiaries delivered pursuant to Section 8.1.1 (a) and (b)) a Quarterly Report to the Administrative Agent in respect of the most recently ended Fiscal Period. In addition, Micro agrees to provide to the Administrative Agent updates with respect to the information provided in the Quarterly Reports at such other times as the Administrative Agent may reasonably request from time to time.

SECTION 3.4. Non-Rata Letter of Credit Facility.

SECTION 3.4.1. Non-Rata Letters of Credit. Any Borrower may from time to time, on any Business Day prior to the Commitment Termination Date, request that any Lender issue a letter of credit (relative to such Lender, a "Non-Rata Letter of Credit") denominated in any Available Currency. Such Lender may in its sole and absolute discretion agree to issue or not issue such Non-Rata Letter of Credit, it being understood and agreed that the Lenders' Commitments only require the making by them of Pro-Rata Revolving Loans and participation in or issuance of Pro-Rata Letters of Credit (subject to the terms and conditions contained herein). Except as otherwise provided herein and subject in each case to the satisfaction of the applicable conditions precedent set forth in Sections 6.1 and 6.2 hereof, each Non-Rata Letter of Credit shall be issued on the terms and conditions agreed to between the relevant Borrower and the relevant Lender; provided, however, that the Obligations of Micro with respect to each Pro-Rata Credit Extension shall rank pari passu with the Obligations of each Borrower with respect to each Non-Rata Letter of Credit.

SECTION 3.4.2. Ineligible Currencies. Notwithstanding any other provision contained in this Agreement, if, at any time prior to the Commitment Termination Date, the relevant Issuer of a Non-Rata Letter of Credit determines that the Available Currency in which such Non-Rata Letter of Credit has been issued is an Ineligible Currency, then such Issuer may (in its sole discretion) at any time notify the relevant Borrower of the same. Such Borrower shall use reasonable efforts to cause the beneficiary of such Non-Rata Letter of Credit to accept a substitution for such Non-Rata Letter of Credit with another Non-Rata Letter of Credit in an Available Currency acceptable to such Borrower and such Issuer.

SECTION 3.4.3. Limitations on Issuing Non-Rata Letters of Credit. Subject to the last sentence of Section 2.1, no Lender shall be permitted to issue any Non-Rata Letters of Credit if, after giving effect thereto, either the aggregate Outstanding Credit Extensions of all the Lenders would exceed the then Total Credit Commitment Amount or the aggregate Outstanding Credit Extensions consisting of Non-Rata Credit Extensions would exceed $750,000,000.

SECTION 3.4.4. Procedures for Issuing Non-Rata Letters of Credit. Subject to the terms and conditions of this Agreement, including Section 3.4.1, the terms of each Non-Rata Letter of Credit shall be mutually agreed upon between the relevant Borrower and the relevant Issuer.

SECTION 3.4.5. Disbursements. Subject to the terms and provisions of each Non-Rata Letter of Credit and this Agreement, upon presentment of any Non-Rata Letter of Credit to the relevant Issuer thereof for payment, such Issuer shall make such payment to the beneficiary (or its designee) of such Non-Rata Letter of Credit on the date designated for such payment (the "Non-Rata Disbursement Date"). Such Issuer will promptly notify the relevant Borrower of the presentment for payment of any such Non-Rata Letter of Credit, together with notice of the Non-Rata Disbursement Date thereof. Prior to 12:00 noon, Eastern time, on the next Business Day following the Non-Rata Disbursement Date, the relevant Borrower will reimburse such Issuer for all amounts disbursed under such Non-Rata Letter of Credit, together with all interest, if any, that such Borrower shall have agreed to pay that shall have accrued thereon since the Non-Rata Disbursement Date.

SECTION 3.4.6. Reimbursement. The obligation (the "Non-Rata Reimbursement Obligation") of the relevant Borrower under Section 3.4.5. to reimburse an Issuer with respect to each disbursement under a Non-Rata Letter of Credit (including interest thereon) issued by such Issuer, shall be absolute and unconditional under any and all circumstances and irrespective of any set-off, counterclaim or defense to payment which such Borrower or any other Borrower may have or have had against such Issuer, including any defense based upon the failure of any disbursement under a Non-Rata Letter of Credit to conform to the terms of the applicable Non-Rata Letter of Credit (if, in the applicable Issuer's good faith opinion, such disbursement is determined to be appropriate) or any

non-application or misapplication by the beneficiary of the proceeds of such Non-Rata Letter of Credit; provided, however, that nothing herein shall require such Borrower to reimburse the applicable Issuer for any wrongful disbursement made by such Issuer under a Non-Rata Letter of Credit as a result of acts or omissions finally determined by a court of competent jurisdiction to constitute gross negligence or willful misconduct on the part of such Issuer. Subject to Section 3.4.2, each Non-Rata Letter of Credit shall be reimbursed in the Available Currency in which such Non-Rata Letter of Credit was issued.

SECTION 3.5. Bid Rate Facility.

SECTION 3.5.1. Bid Rate Loans. Any Borrower may, on the terms and conditions of this Agreement, request the Lenders to make offers to make Bid Rate Loans to such Borrower. The Lenders may, but shall have no obligation to, make such offers and the relevant Borrower may, but shall have no obligation to, accept any such offers in the manner set forth in this Section 3.5. Except as otherwise provided herein and subject in each case to the satisfaction of the applicable conditions precedent set forth in Sections 6.1 and 6.2 hereof, each Bid Rate Loan shall be made on the terms and conditions agreed to between the relevant Borrower and the relevant Lender; provided, however, that the Obligations of Micro with respect to each Pro-Rata Credit Extension shall rank pari passu with the Obligations of each Borrower with respect to each Bid Rate Loan.

SECTION 3.5.2. Quote Request. When a Borrower wishes to request offers to make Bid Rate Loans, it shall give each of the Lenders (excluding any Lender that has previously notified the Borrowers that it will not participate in any LIBO Auctions or Absolute Interest Rate Auctions) notice by telephone or telecopy (a "Quote Request") so as to be received at the applicable office of each such Lender set forth on Schedule II or to such other office as a Lender may notify the Borrowers pursuant to Section 11.2 no later than (a) 3:00 p.m., Eastern time, on the fourth Business Day prior to the date of borrowing proposed therein, in the case of a LIBO Auction or (b) 11:00 a.m., Eastern time, on the date of borrowing proposed therein, in the case of an Absolute Interest Rate Auction. The relevant Borrower may request offers to make Bid Rate Loans for up to five different Interest Periods in a single notice; provided, however, that the request for each separate Interest Period shall be deemed to be a separate Quote Request for a separate borrowing (a "Bid Rate Borrowing"). Each Bid Rate Borrowing shall be at least $10,000,000 (or an integral multiple of $1,000,000 in excess thereof).

SECTION 3.5.3. Submission of Quotes. Each Lender may submit one or more Quotes, each containing an offer to make a Bid Rate Loan in response to any Quote Request; provided, however, that, if the relevant Borrower's request under Section 3.5.2 specified more than one Interest Period, such Lender may make a single submission containing one or more Quotes for each such Interest Period. Each Quote must be submitted to the relevant Borrower not later than (a) 11:00 a.m., Eastern time, on the third Business Day immediately prior to the proposed date of borrowing, in the case of a LIBO Auction or (b) 12:00 noon, Eastern time, on the proposed date of borrowing, in the case of an Absolute Interest Rate Auction. Subject to Sections 5.1 through 5.5 and 6.2 and Article IX, any Quote so made shall be irrevocable. Each Quote shall specify: (i) the proposed date of borrowing and the Interest Period therefor; (ii) the principal amount of the Bid Rate Loan for which each such offer is being made, which principal amount shall be at least $10,000,000 (or an integral multiple of $1,000,000 in excess thereof); provided, however, that the aggregate principal amount of all Bid Rate Loans for which a Lender submits Quotes may not exceed the principal amount of the Bid Rate Borrowing for a particular Interest Period for which offers were requested; (iii) in the case of a LIBO Auction, the margin above or below the applicable LIBO Rate (the "LIBO Margin") offered for each such Bid Rate Loan, ex pressed as a percentage (rounded upwards, if necessary, to the nearest 1/100th of 1%) to be added to or subtracted from the applicable LIBO Rate; (iv) in the case of an Absolute Interest Rate Auction, the rate of interest per annum offered for each such Bid Rate Loan (the "Absolute Interest Rate"); and (v) the identity of the quoting Lender. No Quote shall contain qualifying, conditional or similar language or propose terms other than or in addition to those of the Quote Request and, in particular, no Quote may be conditioned upon acceptance by the relevant Borrower of all (or some specified minimum) of the principal amount of the Bid Rate Loan for which such Quote is being made.

SECTION 3.5.4. Acceptance of Quotes. Not later than (a) 11:00 a.m., Eastern time, on the second Business Day immediately prior to the proposed date of borrowing, in the case of a LIBO Auction or (b) 2:00 p.m., Eastern time, on the proposed date of borrowing, in the case of an Absolute Interest Rate Auction, the relevant Borrower shall notify each Lender by telephone or telecopy of such Borrower's acceptance or nonacceptance of the Quotes submitted to such Borrower by such Lender. The failure of the relevant Borrower to give such notice by such time shall constitute nonacceptance of any such Quote. Such Borrower may accept any Quote in whole or in part (provided that any Quote accepted in part shall be at least $10,000,000 or an integral multiple of $1,000,000 in excess thereof); provided, however, that: (i) subject to the limitations set forth in clause (ii), (iii) or (iv) of this proviso, if two or more Lenders submit Quotes for any Interest Period at identical pricing and the relevant Borrower accepts any of such offers but does not wish to (or by reason of the limitations set forth in clause (ii), (iii) or (iv) of this proviso, cannot) accept the aggregate principal amount of the Bid Rate Loans offered by such Lenders, such Borrower shall accept Bid Rate Loans from all of such Lenders in amounts allocated among them pro rata according to the respective principal amounts of the respective Bid Rate Loans originally offered by such Lenders (or as nearly pro rata as shall be practicable in light of the limitations set forth in clauses (ii), (iii) and (iv) of this proviso), (ii) the aggregate principal amount of each Bid Rate Borrowing

may not exceed the applicable amount set forth in the related Quote Request; (iii) the aggregate principal amount of each Bid Rate Borrowing shall be at least $10,000,000 (or an integral multiple of $1,000,000 in excess thereof) but shall not cause the limits specified in Section 3.5.8 to be violated; and (iv) the relevant Borrower may not accept any offer that fails to comply with Section 3.5.3 or otherwise fails to comply with the requirements of this Agreement.

SECTION 3.5.5. Bid Rate Loan. Any Lender whose offer to make any Bid Rate Loan has been accepted shall, not later than 3:00 p.m., Eastern time, on the date specified for the making of such Loan and subject to the other terms and conditions of this Agreement, make the amount of such Bid Rate Loan available to the relevant Borrower at such Borrower's Account in immediately available funds.

SECTION 3.5.6. Maturity of Bid Rate Loans. Each Bid Rate Loan shall be repaid on the Maturity thereof or on any earlier date agreed upon by the relevant Borrower and the relevant Lender or required by the other terms and conditions of this Agreement. The relevant Borrower may prepay any Bid Rate Loan on such terms and conditions as such Borrower and the relevant Lender may agree.

SECTION 3.5.7. Bid Rate Loan Records. Each Lender's Bid Rate Loans, if any, shall be evidenced by a loan account maintained by such Lender. Each Borrower hereby irrevocably authorizes the relevant Lender to make (or cause to be made) appropriate account entries, which account entries, if made, shall evidence, inter alia, the date of, the Type of, the currency of, the advance period (if applicable) of, the Maturity of, the outstanding principal of, interest payable on and any repayments of Bid Rate Loans made by such Lender to such Borrower pursuant hereto. Any such account entries indicating the outstanding principal amount of such Lender's Bid Rate Loans and interest payable thereon shall be prima facie evidence of the principal amount thereof owing and unpaid and interest payable thereon, but the failure to make any such entry shall not limit or otherwise affect the obligations of any Borrower hereunder to make payments of principal of or interest on such Bid Rate Loans when due.

SECTION 3.5.8 Limitations on Making Bid Rate Loans. Subject to the last sentence of Section 2.1, no Lender shall be permitted to make any Bid Rate Loan if, after giving effect thereto, either the aggregate Outstanding Credit Extensions of all the Lenders would exceed the then Total Credit Commitment Amount or the aggregate Outstanding Credit Extensions consisting of Non-Rata Credit Extensions would exceed $750,000,000.

ARTICLE IV

PRINCIPAL, INTEREST AND FEE PAYMENTS

SECTION 4.1. Repayments and Prepayments of Pro-Rata Revolving Loans. Micro shall repay in full the unpaid principal amount of each Pro-Rata Revolving Loan outstanding to it at the Maturity thereof. Prior thereto, Micro:

(a) may, from time to time on any Business Day, make a voluntary prepayment, in whole or in part, of the outstanding principal amount of any Pro-Rata Revolving Loan; provided, however, that:

(i) any such prepayment of any Pro-Rata Revolving Loan shall be allocated to each Lender pro rata according to such Lender's Percentage (calculated on the date such Pro-Rata Revolving Loans were made) of the Pro-Rata Revolving Loans so prepaid (and, for the avoidance of doubt, no such prepayment shall be allocated to any Lender which did not participate in the making of the Pro-Rata Revolving Loans to be prepaid);

(ii) no such prepayment of any Pro-Rata Revolving Loan that is a LIBO Rate Loan may be made on any day other than the last day of the Interest Period then applicable to such LIBO Rate Loan unless all the losses or expenses incurred by the Lenders in connection therewith pursuant to Section 5.4 are paid in full contemporaneously with such prepayments;

(iii) all such voluntary prepayments shall require prior notice to the Administrative Agent of (x) at least three but no more than five Business Days in the case of LIBO Rate Loans and (y) not more than three Business Days but no later than the date of such voluntary prepayment in the case of Reference Rate Loans; and

(iv) all such voluntary prepayments shall, if other than a prepayment in whole, be in an aggregate minimum amount of $10,000,000 and an integral multiple of $1,000,000;

(b) shall determine if the aggregate Outstanding Credit Extensions of all the Lenders exceed the Total Credit Commitment Amount (i) at the end of each Fiscal Period and (ii) on the date of each request for a Credit Extension (excluding any request submitted in respect of any continuation or conversion of any Borrowing previously made hereunder), and promptly thereafter (and in any event (A) in respect of any determination made pursuant to clause (i) above, no later than the next date on which Micro shall be required to submit a Quarterly Report in accordance with Section 3.3.7 or (B) in respect of any determination made pursuant to clause (ii) above, prior to the proposed date of such requested Credit Extension), Micro shall make a mandatory prepayment of the outstanding principal amount of such Loans as Micro may select in an amount equal to such excess, such prepayment

to be allocated to the Lenders in such manner as Micro may elect (provided; that a prepayment of a Pro-Rata Revolving Loan shall be allocated to the Lenders in the manner set forth in clause (a)(i) above); and

(c) shall, on each date when any reduction or termination in the Total Credit Commitment Amount shall become effective, including pursuant to Section 2.3, make a mandatory prepayment of all Pro-Rata Revolving Loans equal to the excess, if any, of the then aggregate Outstanding Credit Extensions of all the Lenders over the Total Credit Commitment Amount as so reduced, such prepayment to be allocated to the Lenders in the manner set forth in clause (a)(i).

SECTION 4.2. Interest Provisions. Each Pro-Rata Revolving Loan shall bear interest from and including the day when made until (but not including) the day such Pro-Rata Revolving Loan shall be paid in full, and such interest shall accrue and be payable in accordance with this Section 4.2.

SECTION 4.2.1. Rates.

(a) Pro-Rata Revolving Loans. Subject to Section 4.2.2 and pursuant to an appropriately completed and delivered Borrowing Request or Continuation/Conversion Notice, Micro may elect that Pro-Rata Revolving Loans comprising a Borrowing accrue interest at the following rates per annum:

(i) Reference Rate Loans. On that portion of such Borrowing maintained from time to time as a Reference Rate Loan, equal to the Reference Rate from time to time in effect.

(ii) LIBO Rate Loans. On that portion of such Borrowing maintained from time to time as a LIBO Rate Loan, during each Interest Period applicable thereto, the sum of the LIBO Rate for such Interest Period plus the Applicable Margin.

(b) Non-Rata Revolving Loans. Pursuant to the terms agreed to between the relevant Borrower and the relevant Lender, each Borrower shall pay interest on the aggregate principal amount of any Non-Rata Revolving Loan outstanding to any Lender from time to time prior to and at Maturity at a rate agreed between each such Borrower and such Lender pursuant to Section 3.3 in connection with the making of such Non-Rata Revolving Loan. Such interest rate shall include any compensation for reserves or similar costs incurred in connection with such Non-Rata Revolving Loan.

SECTION 4.2.2 Post-Maturity Rates. After the date any principal amount of any Loan is due and payable (whether at Maturity, upon acceleration or otherwise), or after any other monetary Obligation of Micro or any other Borrower shall have become due and payable, Micro or each such other Borrower shall pay, but only to the extent permitted by law, interest (after as well as before judgment) on such amounts at a rate per annum equal to the Reference Rate plus 2%.

SECTION 4.2.3. Continuation and Conversion Elections. Micro may from time to time by delivering a Continuation/Conversion Notice to the Administrative Agent on or before 1:00 p.m., Eastern time, on a Business Day, irrevocably elect, in the case of LIBO Rate Loans, on not less than three nor more than five Business Days' notice, and in the case of Reference Rate Loans, on such Business Day, that all, or any portion in an aggregate minimum amount of $25,000,000 and an integral multiple of $1,000,000 of the Loans, be, in the case of Reference Rate Loans, converted into LIBO Rate Loans or be, in the case of LIBO Rate Loans, converted into Reference Rate Loans or continued as LIBO Rate Loans (in the absence of delivery of a Continuation/Conversion Notice with respect to any LIBO Rate Loan, at least three Business Days (but not more than five Business Days) before the last day of the then current Interest Period with respect thereto, each such LIBO Rate Loan shall, on such last day, automatically convert to a Reference Rate Loan); provided, however, that (1) each such conversion or continuation shall be pro rated among the applicable outstanding Pro-Rata Revolving Loans of all Lenders, and (2) no portion of the outstanding principal amount of any Pro-Rata Revolving Loans may be continued as, or be converted into, a LIBO Rate Loan with an Interest Period longer than one month while any Default has occurred and is continuing.

SECTION 4.2.4. Payment Dates.

(a) Pro-Rata Revolving Loans. Interest accrued on each Pro-Rata Revolving Loan shall be payable, without duplication:

(i) on the Stated Maturity Date therefor;

(ii) on the date of any payment or prepayment, in whole or in part, of principal outstanding on such Pro-Rata Revolving Loan (but only on the principal amount so paid or prepaid);

(iii) with respect to each Reference Rate Loan, on each Quarterly Payment Date;

(iv) with respect to each Reference Rate Loan that is converted into a LIBO Rate Loan on a day when interest would not otherwise have been payable pursuant to clause (iii), on the date of such conversion;

(v) with respect to each LIBO Rate Loan, on the last day of each applicable Interest Period (and, if such Interest Period

shall exceed three months, on each three month anniversary of the date of the commencement of such Interest Period); and

(vi) on that portion of any Loans the Stated Maturity Date of which is accelerated pursuant to Section 9.2 or 9.3, immediately upon such acceleration.

Interest accrued on Pro-Rata Revolving Loans or other monetary Obligations arising under this Agreement or any other Loan Document after the date such Pro-Rata Revolving Loans or other Obligations are due and payable (whether on the Stated Maturity Date, upon acceleration or otherwise) shall be payable upon demand.

(b) Non-Rata Revolving Loans. Subject to Section 3.3.2, each Borrower shall pay interest on the aggregate principal amount of any Non-Rata Revolving Loan outstanding in the Available Currency in which such Loan was made to the relevant Lender from time to time prior to and at Maturity on such dates agreed between such Borrower and such Lender pursuant to Section 3.3 in connection with the making of such Non-Rata Revolving Loan.

(c) Bid Rate Loans. Each Borrower shall pay interest on the aggregate principal amount of any Bid Rate Loan outstanding to the relevant Lender from time to time prior to and at Maturity on such dates agreed between such Borrower and such Lender pursuant to Section 3.5 in connection with the making of such Bid Rate Loan.

SECTION 4.2.5. Interest Rate Determination. The Administrative Agent and the Reference Lenders shall, in accordance with each of their customary practices, attempt to determine the relevant interest rates applicable to each LIBO Rate Loan requested to be made pursuant to each Borrowing Request duly completed and delivered by Micro and each LIBO Market Loan from time to time in accordance with the terms hereof, and each Reference Lender agrees to furnish the Administrative Agent timely information for the purpose of determining the LIBO Rate. If any Reference Lender fails to timely furnish such information to the Administrative Agent for any such interest rate, the Administrative Agent shall determine such interest rate on the basis of the information furnished by the other Reference Lenders.

SECTION 4.2.6. Additional Interest on LIBO Rate Loans. For so long as the cost to a Lender of making or maintaining its LIBO Rate Loans is increased as a result of any imposition or modification of any reserve required to be maintained by such Lender against Eurocurrency Liabilities (or any other category of liabilities which includes deposits by reference to which the interest rate on LIBO Rate Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of such Lender to United States residents), then such Lender may require Micro to pay, contemporaneously with each payment of interest on the LIBO Rate Loans, additional interest on the related LIBO Rate Loan of such Lender at a rate per annum up to but not exceeding the excess of (i) (A) the applicable LIBO Rate divided by (B) one minus the LIBOR Reserve Percentage over (ii) the applicable LIBO Rate. Any Lender wishing to require payment of such additional interest shall so notify Micro and the Administrative Agent (which notice shall set forth the amount (as determined by such Lender) to which such Lender is then entitled under this Section 4.2.6 (which amount shall be consistent with such Lender's good faith estimate of the level at which the related reserves are maintained by it and which determination shall be conclusive and binding for all purposes, absent demonstrable error) and shall be accompanied by such information as to the computation set forth therein as Micro may reasonably request), in which case such additional interest on the LIBO Rate Loans of such Lender shall be payable on the last day of each Interest Period thereafter (commencing with the Interest Period beginning at least three Business Days after the giving of such notice) to such Lender at the place indicated in such notice. Each Lender that receives any payment in respect of increased costs pursuant to this Section shall promptly notify Micro of any change with respect to such costs which affects the amount of additional interest payable pursuant to this Section in respect thereof.

SECTION 4.3. Fees. Micro (and, in the case of Section 4.3.3(d), each relevant Borrower) agrees to pay the fees set forth in this Section 4.3. All such fees shall be non-refundable and shall be paid to each such Lender or the relevant Issuer at its office specified for such purpose on the signature pages hereof.

SECTION 4.3.1. Administration and Documentation Fees. Micro agrees to pay directly to the Administrative Agent and the Documentation Agent, for their own accounts, an annual administration and documentation fee, respectively, in the amounts and on the dates set forth in the Fee Letter.

SECTION 4.3.2. Facility Fees. Micro agrees to pay directly to each Lender (including any portion thereof when the Lenders may not extend any Credit Extensions by reason of the inability of Micro to satisfy any condition of Section 6.1 or 6.2): (a) for each day during the period commencing on the date hereof and continuing through and including the date the Administrative Agent shall receive the reports and financial statements of Micro and its Consolidated Subsidiaries required to be delivered pursuant to Section 8.1.1(a) hereof (together with the Compliance Certificate required to be delivered contemporaneously therewith pursuant to Section 8.1.1(d) hereof) for the Fiscal Year ending on the Saturday nearest December 31, 1996, a fee to each Lender on its Credit Commitment Amount on such day (without taking into account usage) at a rate of .125 of 1% per annum and (b) for each day during the period commencing on the date immediately following the date the Administrative Agent shall receive the reports, financial statements and Compliance Certificate referred to in clause (a) above, until but excluding the Commitment Termination Date, a fee to each Lender on its Credit Commitment Amount on such day (without

taking into account usage) at the corresponding rate per annum set forth below, determined by reference to: (i) the lower of the two highest ratings from time to time assigned to Micro's long-term senior unsecured debt by S&P, Moody's and Fitch and either published or otherwise evidenced in writing by the applicable rating agency and made available to the Administrative Agent (including both "express" and "indicative" or "implied" (or equivalent) ratings) or (ii) the ratio (calculated pursuant to clause (c) of Section 8.2.3) of Consolidated Funded Debt to Consolidated EBITDA for the Fiscal Period most recently ended prior to, such day, for which financial statements and reports have been received by the Administrative Agent pursuant to Section 8.1(a) or (b), whichever results in the lower rate:

Micro's Long-Term Senior Unsecured Debt Ratings by S&P, Moody's or Fitch, respectively	Ratio of Consolidated Funded Debt to Consolidated EBITDA	Facility Fee
A-, A3 or A- (or higher)	Less than 1.5	.090%
BBB+, Baa1 or BBB+	Greater than or equal to 1.5, but less than 2.0.	.110%
BBB, Baa2 or BBB	Greater than or equal to 2.0, but less than 2.5.	.125%
BBB-, Baa3 or BBB-	Greater than or equal to 2.5, but less than 3.0.	.150%
BB+, Ba1 or BB+	Greater than or equal to 3.0, but less than 3.25.	.200%
Lower than BB+, Ba1 or BB+	Greater than or equal to 3.25.	.250%

Such fee shall be calculated by Micro as at each Quarterly Payment Date, commencing on the first Quarterly Payment Date to occur after the date hereof, and on the Commitment Termination Date and shall be payable by Micro in arrears on each Quarterly Payment Date and on the Commitment Termination Date. Each Lender agrees to promptly notify the Administrative Agent of the failure of Micro to pay any fee as provided in this Section.

SECTION 4.3.3. Letter of Credit Fees.

(a) Micro agrees to pay directly to each Lender (including the relevant Issuer) a Pro-Rata Letter of Credit participation fee equal to each Lender's Percentage of the average daily Stated Amount of each Pro-Rata Letter of Credit during the applicable period multiplied by the Applicable Margin then in effect for any LIBO Rate Loan. Such participation fee shall accrue from the date of issuance of any Pro-Rata Letter of Credit until the date such Pro-Rata Letter of Credit is drawn in full or terminated, and shall be payable in arrears on each Quarterly Payment Date and on the date that the Commitments terminate in their entirety.

(b) Micro agrees to pay directly to the Issuer of each Pro-Rata Letter of Credit a Pro-Rata Letter of Credit issuance fee of .125 of 1% per annum of the average daily Stated Amount of such Pro-Rata Letter of Credit during the applicable period, such fee to be payable to the relevant Issuer in quarterly installments in arrears on each Quarterly Payment Date and on the date that the Commitments terminate in their entirety. Micro agrees to reimburse each Issuer, on demand, for all usual out-of-pocket costs and expenses incurred in connection with the issuance or maintenance of any Pro-Rata Letter of Credit issued by such Issuer.

(c) Each Lender and Issuer agrees to promptly notify the Administrative Agent of the failure of Micro to pay any letter of credit fees pursuant to this Section.

(d) Each Borrower agrees to pay directly to the relevant Issuer of each Non-Rata Letter of Credit requested by such Borrower an issuance fee equal to such amount and at such times as such Borrower and the applicable Issuer shall agree in connection with the issuance of such Non-Rata Letter of Credit.

SECTION 4.4. Rate and Fee Determinations. Interest on each LIBO Rate Loan shall be computed on the basis of a year consisting of 360 days and interest on each Reference Rate Loan and fees shall be computed on the basis of a year consisting of 365 or 366 days, as the case may be, in each case paid for the actual number of days elapsed, calculated as to each period from and including the first day thereof to but excluding the last day thereof. All determinations by the Administrative Agent of the rate of interest payable with respect to any Pro-Rata Revolving Loan shall be conclusive and binding in the absence of demonstrable error.

SECTION 4.5. Obligations in Respect of Non-Rata Credit Extensions. Micro hereby acknowledges and agrees that notwithstanding any provision hereof or of any other Loan Document to the contrary, all Obligations of the Obligors in respect of any Non-Rata Credit Extensions shall be the joint and several liabilities of Micro.

ARTICLE V

CERTAIN PAYMENT PROVISIONS

SECTION 5.1. Illegality; Currency Restrictions.

(a) If, as the result of any Regulatory Change, any Lender shall determine (which determination shall, in the absence of demonstrable error, be conclusive and binding on each Borrower), that it is unlawful

for such Lender to make any LIBO Rate Loan, issue any Non-Rata Letter of Credit or continue any LIBO Rate Loan previously made by it hereunder, as the case may be, the obligations of such Lender to make any such LIBO Rate Loan, issue any such Non-Rata Letter of Credit or continue any such LIBO Rate Loan, as the case may be, shall, upon the giving of notice thereof to the Administrative Agent, Micro and any other applicable Borrower, forthwith be suspended and each applicable Borrower shall, if requested by such Lender and if required by such Regulatory Change, on such date as shall be specified in such notice, prepay to such Lender in full all of such LIBO Rate Loans or convert all of such LIBO Rate Loans into a Loan of another Type that is not unlawful, in each case on the last day of the Interest Period applicable thereto (unless otherwise required by applicable law) and without any penalty whatsoever (but subject to Section 5.4); provided, however, such Lender shall make as Reference Rate Loans all Loans that such Lender would otherwise be obligated to make as LIBO Rate Loans and convert into or continue as Reference Rate Loans all Loans that such Lender would otherwise be required to convert into or continue as LIBO Rate Loans, in each case during the period any such suspension is effective. Such suspension shall continue to be effective until such Lender shall notify the Administrative Agent and Micro that the circumstances causing such suspension no longer exist, at which time the obligations of such Lender to make any such LIBO Rate Loan, issue any Non-Rata Letter of Credit or continue any LIBO Rate Loan, as the case may be, shall be reinstated.

(b) If any central bank or other governmental authorization in the country of the proposed Available Currency of any proposed Non-Rata Revolving Loan is required to permit the use of such Available Currency by a Lender (through its Lending Office) for such Non-Rata Revolving Loan and such authorization has not been obtained (provided that such Lender has used reasonable endeavors to obtain such authorization) or is not in full force and effect, the obligation of such Lender to provide such Non-Rata Revolving Loans shall be suspended so long as such authorization is required and has not been obtained by such Lender.

SECTION 5.2. Deposits Unavailable.

(a) If prior to the date on which all or any portion of any LIBO Rate Loan is to be made, maintained or continued the Administrative Agent shall have determined (which determination shall be conclusive and binding), with respect to such LIBO Rate Loan that:

(i) Dollar deposits in the relevant amount and for the relevant Interest Period are available to none of the Reference Lenders in the relevant market; or

(ii) by reason of circumstances affecting the London interbank market, adequate means do not exist for ascertaining the interest rate applicable hereunder to such LIBO Rate Loan,

then, upon notice from the Administrative Agent to Micro and the Lenders, the obligations of the Lenders to make or continue any Pro-Rata Revolving Loan as a LIBO Rate Loan under Sections 3.1 and 4.2.3 shall forthwith be suspended until the Administrative Agent shall notify Micro and the Lenders that the circumstances causing such suspension no longer exist; provided, however, that, for so long as any such suspension shall be effective, unless the Borrower shall notify the Administrative Agent prior to 1:00 p.m., Eastern Time, on the date of any proposed Borrowing that was to be comprised of LIBO Rate Loans that it does not wish to obtain such Loans as Reference Rate Loans, any proposed Borrowing that would have been comprised of LIBO Rate Loans but for the terms of this Section shall be made on the date of such proposed Borrowing as Reference Rate Loans.

(b) The obligation of any Lender to make a Non-Rata Revolving Loan shall be suspended under the circumstances provided for pursuant to Section 3.3.4.

SECTION 5.3. Increased Credit Extension Costs, etc. Each Borrower agrees to reimburse each Lender upon demand for any increase in the cost to such Lender of, or any reduction in the amount of any sum receivable by such Lender in respect of, making, maintaining, participating, issuing or extending (or of its obligation to make, maintain, participate, issue or extend) any Credit Extension to the extent such increased cost or reduced amount is due to a Regulatory Change. Such Lender shall provide to the Administrative Agent and the relevant Borrower a certificate stating, in reasonable detail, the reasons for such increased cost or reduced amount and the additional amount required fully to compensate such Lender for such increased cost or reduced amount. Such additional amounts shall be payable by the relevant Borrower directly to such Lender upon its receipt of such notice, and such notice shall be rebuttable presumptive evidence of the additional amounts so owing. In determining such amount, such Lender shall act reasonably and in good faith and may use any method of averaging and attribution that it customarily uses for its other borrowers with a similar credit rating as Micro. Such Lender may demand reimbursement for such increased cost or reduced amount only for the 360-day period immediately preceding the date of such written notice, and Micro shall have liability only for such period.

SECTION 5.4. Funding Losses. In the event any Lender shall incur any loss or expense (including any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to make, continue or extend any portion of the principal amount of any Loan) as a result of:

(a) any repayment or prepayment of the principal amount of any

Loan on a date other than the scheduled last day of the Interest Period or, in the case of any Non-Rata Revolving Loan, other relevant funding period applicable thereto, whether pursuant to Section 4.1 or otherwise;

(b) any conversion of a LIBO Rate Loan into a Reference Rate Loan on a date other than the scheduled last day of the Interest Period applicable thereto; or

(c) any Loan not being made, continued or converted in accordance with the Credit Extension Request therefor in the case of any Pro-Rata Credit Extension Request or the instructions of the relevant Borrower to the relevant Lender in the case of any Non-Rata Credit Extension as a consequence of any action taken, or failed to be taken, by any Obligor,

then, upon the written notice of such Lender to the relevant Borrower (with a copy to the Administrative Agent), such Borrower shall, within five days of its receipt thereof, pay directly to such Lender such amount as will (in the reasonable determination of such Lender) reimburse such Lender for such loss or expense. Such written notice (which shall include calculations in reasonable detail) shall be rebuttable presumptive evidence of the amount of any such loss or expense that has been so incurred.

SECTION 5.5. Increased Capital Costs. If any Regulatory Change affects or would affect the amount of capital required or expected to be maintained by any Lender or any Person controlling such Lender, and such Lender determines (in its sole and absolute discretion) that the rate of return on its or such controlling Person's capital as a consequence of its participation in this Agreement or the making, continuing, participating in or extending of any Credit Extension is reduced to a level below that which such Lender or such controlling Person could have achieved but for the occurrence of any such circumstance, then, in any such case, upon the relevant Borrower's receipt of written notice thereof from such Lender (with a copy to the Administrative Agent), such Borrower shall pay directly to such Lender additional amounts sufficient to compensate such Lender or such controlling Person for such reduction in rate of return. A statement of such Lender as to any such additional amounts (including calculations thereof in reasonable detail) shall be rebuttable presumptive evidence of the additional amounts so owing. In determining such amount, such Lender may use any method of averaging and attribution that it shall deem applicable. Such Lender may demand payment for such additional amounts that have accrued only during the 360-day period immediately preceding the date of such written notice and Micro shall have liability only for such period.

SECTION 5.6. Discretion of Lenders as to Manner of Funding. Notwithstanding any provision of this Agreement to the contrary, the Lenders shall be entitled to fund and maintain their funding of all or any part of their Loans and other Credit Extensions in any manner they elect, it being understood, however, that for the purposes of this Agreement all determinations hereunder with respect to a Pro-Rata Revolving Loan shall be made as if each Lender had actually funded and maintained each Loan through its Lending Office and through the purchase of deposits having a maturity corresponding to the maturity of such Pro-Rata Revolving Loan. Any Lender may, if it so elects, fulfill any commitment or obligation to make or maintain Loans or other Credit Extensions by causing a branch or affiliate to make or maintain such Loans or other Credit Extensions; provided, however, that in such event such Loans or other Credit Extensions shall be deemed for the purposes of this Agreement to have been made by such Lender through its applicable Lending Office, and the obligation of Micro to repay such Loans shall nevertheless be to such Lender at its Lending Office and shall be deemed held by such Lender through its applicable Lending Office, to the extent of such Loan, for the account of such branch or affiliate.

SECTION 5.7. Taxes. All payments by any Obligor of principal of, and interest and fees on, any Credit Extension and all other amounts payable hereunder or under any other Loan Document shall be made free and clear of and without deduction for any present or future income, excise, stamp or franchise taxes and other taxes, fees, duties, withholdings or other charges of any nature whatsoever imposed by any taxing authority with respect to such payments, but excluding first, franchise taxes and taxes imposed on or measured by any Lender Party's gross or net income, profits or receipts and, second, taxes or other charges of any nature imposed by any taxing authority on any Lender Party which do not result from any Regulatory Change and which are not imposed on any class of bank having the same general characteristics as such Lender Party (such non-excluded items being called "Taxes"). In the event that any withholding or deduction from any payment to be made by any Obligor hereunder is required in respect of any Taxes pursuant to any applicable law, rule or regulation, then such Obligor will:

(a) pay directly to the relevant authority the full amount required to be so withheld or deducted;

(b) promptly forward to the relevant Lender Party an official receipt or other documentation satisfactory to such Lender Party evidencing such payment to such authority; and

(c) pay directly to the relevant Lender Party for its own account such additional amount or amounts as is or are necessary to ensure that the net amount actually received by such Lender Party will equal the full amount such Lender Party would have received had no such withholding or deduction been required.

Moreover, if any Taxes are directly asserted against any Lender Party with respect to any payment received by such Lender Party hereunder, such Lender Party may pay such Taxes and the relevant Obligor will promptly pay such additional amounts (including any penalties, interest or expenses) as is

necessary in order that the net amount received by such Lender Party after the payment of such Taxes (including any Taxes on such additional amount) shall equal the amount such Lender Party would have received had not such Taxes been asserted.

If the relevant Obligor fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to the relevant Lender Parties entitled thereto the required receipts or other required documentary evidence, such Obligor shall indemnify such Lender Parties for any incremental Taxes, interest or penalties that may become payable by any Lender Party as a result of any such failure.

Each Lender Party organized under the laws of a jurisdiction outside the United States: (a) either on or prior to (i) the date of its execution and delivery of this Agreement in the case of each such Lender Party listed on the signature pages hereof, or (ii) the date on which it becomes a Lender Party in the case of each such other Lender Party; (b) on or prior to the date of any change in any such Lender Party's Lending Office; and (c) from time to time thereafter if requested in writing by Micro (but only so long as such Lender Party remains lawfully able to do so), shall provide Micro and the Administrative Agent with Internal Revenue Service Form 1001 or 4224, as appropriate, or any successor form prescribed by the Internal Revenue Service, certifying that such Lender Party is entitled to benefits under an income tax treaty to which the United States is a party which exempts the Lender Party from United States withholding tax or, except in the case of the initial such form so delivered hereunder by such Lender Party, reduces the rate of withholding tax on payments of interest for the account of such Lender Party or certifying that the income receivable by such Lender Party pursuant to this Agreement is effectively connected with the conduct of a trade or business in the United States. For any period with respect to which a Lender Party organized under the laws of a jurisdiction outside the United States has failed to provide Micro and the Administrative Agent with the applicable Internal Revenue Service form required to be so provided in accordance with this Section 5.7 (unless such failure is due to a change in treaty, law or regulation occurring subsequent to the date on which such form originally was required to be provided), such Lender Party shall not be entitled to indemnification under this Section 5.7 with respect to United States withholding tax; provided that if a Lender Party which is otherwise exempt from or subject to a reduced rate of withholding tax becomes subject to United States withholding tax because of its failure to deliver an Internal Revenue Service form required hereunder, Micro shall take such steps as such Lender Party shall reasonably request to assist such Lender Party to recover such United States withholding tax.

If any Obligor pays any additional amount under this Section 5.7 (a "Tax Payment") and any Lender Party or Affiliate thereof effectively obtains a refund of tax or credit against tax by reason of the Tax Payment (a "Tax Credit") and such Tax Credit is, in the reasonable judgment of such Lender Party or Affiliate, attributable to the Tax Payment, then such Lender Party, after actual receipt of such Tax Credit or actual receipt of the benefits thereof, shall promptly reimburse such Obligor for such amount as such Lender Party shall reasonably determine to be the proportion of the Tax Credit as will leave such Lender Party (after that reimbursement) in no better or worse position than it would have been in if the Tax Payment had not been required; provided, however, that no Lender Party shall be required to make any such reimbursement if it reasonably believes the making of such reimbursement would cause it to lose the benefit of the Tax Credit or would adversely affect in any other respect its tax position. Subject to the other terms hereof, any claim by a Lender Party for a Tax Credit shall be made in a manner, order and amount as such Lender Party determines in its sole and absolute discretion. Except to the extent necessary for Micro to evaluate any Tax Credit, no Lender Party shall be obligated to disclose information regarding its tax affairs or computations to any Obligor, it being understood and agreed that in no event shall any Lender Party be required to disclose information regarding its tax position that it deems to be confidential (other than with respect to the Tax Credit).

SECTION 5.8. Payments. All payments by an Obligor pursuant to this Agreement or any other Loan Document, whether in respect of principal, interest, fees or otherwise, shall be made as set forth in this Section 5.8.

SECTION 5.8.1. Pro-Rata Credit Extensions.

(a) All payments (whether in respect of principal, interest or otherwise) pursuant to this Agreement or any other Loan Document with respect to Pro-Rata Credit Extensions or any other amount payable hereunder (other than amounts payable with respect to Non-Rata Revolving Loans, Bid Rate Loans, Non-Rata Reimbursement Obligations, fees payable pursuant to Section 4.3 (which fees shall be paid directly by Micro or the relevant Borrower to the relevant payee), 11.3 or 11.4 and payments made to a Terminating Lender pursuant to Section 9.4), shall be made by Micro to the Administrative Agent for the account of each Lender based upon its Percentage in the case of Pro-Rata Letters of Credit and its Percentage in the case of any Pro-Rata Revolving Loan (such Percentage to be calculated on the date each such Pro-Rata Revolving Loan was made). All such payments required to be made to the Administrative Agent shall be made, without set-off, deduction or counterclaim, not later than 1:00 p.m., Eastern time, on the date when due, in same day or immediately available funds, to such account as the Administrative Agent shall specify from time to time by notice to Micro. Funds received after that time shall be deemed to have been received by the Administrative Agent on the next succeeding Business Day. The Administrative Agent shall promptly remit in same day funds to each Lender its share, if any, of such payments received by the Administrative Agent for the account of such Lender. Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall, except as otherwise required pursuant

to clause (d) of the definition of Interest Period, be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or fees, as the case may be.

(b) In the case of any payment made pursuant to the preceding clause (a) by Micro to the Administrative Agent, unless the Administrative Agent shall have received notice from Micro prior to the date on which any such payment is due hereunder that Micro will not make such payment in full, the Administrative Agent may assume that Micro has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due to such Lender. If Micro shall not have so made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent forthwith on demand any such amount distributed to the Lender to the extent that such amount was not paid by Micro to the Administrative Agent together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate.

SECTION 5.8.2. Non-Rata Obligations. All payments (whether in respect of principal, interest, fees or otherwise) by any Borrower pursuant to this Agreement or any other Loan Document with respect to the Non-Rata Credit Extensions shall be made by such Borrower, in the currency in which the Obligation was denominated (the "Required Currency") and in same day or immediately available funds, to the relevant Lender or Issuer, as the case may be (for its own account), at an account specified by such Lender or Issuer, as the case may be, from time to time by notice to the relevant Borrower. All such payments on account of Non-Rata Revolving Loans or Non-Rata Reimbursement Obligations shall be made on the date due, without set-off, deduction or counterclaim and at the times agreed to between the relevant Borrower and the relevant Lender or Issuer, as the case may be. Each Lender that has made a Non-Rata Revolving Loan or Bid Rate Loan agrees to give the Administrative Agent prompt notice of any payment or failure to pay when due of any amounts owing with respect to each such Non-Rata Revolving Loan or Bid Rate Loan. Each Issuer that has issued a Non-Rata Letter of Credit agrees to give the Administrative Agent prompt notice of any payment or failure to pay when due any Non-Rata Reimbursement Obligations or any other amounts owing with respect to such Non-Rata Letter of Credit.

SECTION 5.9. Sharing of Payments.

(a) Prior to the occurrence of a Pro-Rata Distribution Event, the Administrative Agent shall remit payments made by Micro to it pursuant to Section 5.8.1, and each Lender shall retain for its own account all payments received by it pursuant to Section 5.8.2.

(b) Upon the occurrence and continuation of a Pro-Rata Distribution Event,

(i) the Lenders shall share all collections and recoveries in respect of the Credit Extensions and Obligations hereunder on a pro rata basis, based on the respective Outstanding Credit Extensions of each Lender, including unpaid principal, interest, indemnities and fees payable with respect thereto; and

(ii) Micro, each other Borrower and each other Obligor shall make payment of all amounts owing hereunder (whether in respect of principal, interest, fees or otherwise or on account of any Pro-Rata Credit Extension or Non-Rata Credit Extension) to the Administrative Agent for the account of the Lenders as provided in the preceding clause (i). The Administrative Agent shall promptly remit in same day funds to each Lender its share, if any, of all payments received by the Administrative Agent for the account of such Lender.

(c) For purposes of the foregoing, a "Pro-Rata Distribution Event" shall mean the first to occur of (i) an Event of Default pursuant to Section 9.1.1 or 9.1.9 or (ii) any Default if, in connection therewith, the Required Lenders shall have notified the Administrative Agent (and, upon receipt of any such notice, the Administrative Agent shall promptly notify Micro and the Lenders of the same) of the occurrence of such Default and shall have instructed the Administrative Agent that payments hereunder shall be allocated as provided in the preceding clause (b).

(d) If at any time the proportion which any Lender Party (the "Receiving Lender Party") has received or recovered (whether by set-off or otherwise) in respect of its portion of any sum due from any Borrower hereunder or under any other Loan Document is in excess of (the amount of such excess being herein referred to as the "Excess Amount") the proportion of such sum thereof which the Receiving Lender Party is entitled to receive pursuant to clause (b)(i), then the Receiving Lender Party shall promptly notify the Administrative Agent thereof and:

(i) the Receiving Lender Party shall promptly and in any event within ten days of receipt or recovery of the Excess Amount pay to the Administrative Agent an amount equal to the Excess Amount;

(ii) the Administrative Agent shall treat such payment as if it were a payment by the relevant Borrower on account of a sum owed to the Receiving Lender Party and shall pay the same to the relevant Lender Parties entitled to share in such payment (including the Receiving Lender Party) as provided in clause

(b)(i); and

(iii) as between the relevant Borrower and the Receiving Lender Party the Excess Amount shall be treated as not having been paid, while as between such Borrower and each Lender Party referred to in the preceding clause (d)(ii), it shall be treated as having been paid by such Borrower to the extent received by such Lender Party;

provided, however, that where a Receiving Lender Party is subsequently required to repay to any Obligor any amount received or recovered by it and paid to the other Lender Parties pursuant to this clause (d), each relevant Lender Party shall promptly repay to the Administrative Agent for the account of the Receiving Lender Party the portion of such amount distributed to it pursuant to this clause (d), together with interest thereon at a rate sufficient to reimburse the Receiving Lender Party for any interest which it has been required to pay to such Obligor in respect of such portion of such amount.

SECTION 5.10. Right of Set-off. Upon the occurrence and during the continuance of any Default, after providing notice to Micro with respect thereto (which notice shall not be required during any period when an Event of Default shall have occurred and be continuing), each Lender Party is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final but excluding, for the avoidance of doubt, any payment received pursuant to this Agreement by the Administrative Agent in its capacity qua Administrative Agent on behalf of the Lenders) at any time held and other indebtedness at any time due and owing by such Lender Party (in any currency and at any branch or office) to or for the credit or the account of any Obligor against any and all of the Obligations of such Obligor now or hereafter existing under this Agreement or any other Loan Document that are at such time due and owing, irrespective of whether or not such Lender Party shall have made any demand under this Agreement or such other Loan Document (other than any notice expressly required hereby). The rights of each Lender Party under this Section 5.10 are in addition to other rights and remedies (including other rights of set-off) which such Lender Party may have.

SECTION 5.11. Judgments, Currencies, etc. The obligation of each Obligor to make payment of all Obligations in the Required Currency shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment, which is expressed in or converted into any currency other than the Required Currency, except to the extent such tender or recovery shall result in the actual receipt by the recipient at the office required hereunder of the full amount of the Required Currency expressed to be payable under this Agreement or any other Loan Document. Without limiting the generality of the foregoing, each Obligor authorizes the Administrative Agent (or in the case of a Non-Rata Revolving Loan or any other amount required to be paid to any Lender directly, the relevant Lender) on any tender or recovery in a currency other than the Required Currency to purchase in accordance with normal banking procedures the Required Currency with the amount of such other currency so tendered or recovered. The obligation of each Obligor to make payments in the Required Currency shall be enforceable as an alternative or additional cause of action for the purpose of recovery in the Required Currency of the amount (if any) by which such actual receipt shall fall short of the full amount of the Required Currency expressed to be payable under this Agreement or any other Loan Document, and shall not be affected by judgment being obtained for any other sums due under this Agreement or such other Loan Document.

SECTION 5.12. Replacement of Lenders. Each Lender hereby severally agrees that if such Lender (a "Subject Lender") makes demand upon any Borrower for (or if any Borrower is otherwise required to pay) amounts pursuant to Section 4.2.6, 5.3, 5.5 or 5.7, or if the obligation of such Lender to make LIBO Rate Loans is suspended pursuant to Section 5.1(a), such Borrower may, so long as no Event of Default shall have occurred and be continuing, replace such Subject Lender with another financial institution pursuant to an assignment in accordance with Section 11.11.1; provided that (i) unless such financial institution is a Lender or an Affiliate of a Lender, such financial institution shall become a Lender only with the prior written consent of the Administrative Agent, which consent shall not be unreasonably withheld, and (ii) the purchase price paid by such designated financial institution shall be in the amount of such Subject Lender's Loans and its Percentage of outstanding Reimbursement Obligations, together with all accrued and unpaid interest and fees in respect thereof, plus all other amounts (including the amounts demanded and unreimbursed under Sections 4.2.6, 5.3, 5.5 and 5.7), owing to such Subject Lender hereunder. Upon the effective date of such assignment, (a) the relevant Borrower shall issue a replacement Note to such designated financial institution and such institution shall become a Lender for all purposes under this Agreement and the other Loan Documents and (b) the relevant Subject Lender shall deliver to Micro all of its Notes, such Notes to be canceled by Micro.

SECTION 5.13. Change of Lending Office. If Micro or any other Obligor is required to pay additional amounts to or for the account of any Lender Party pursuant to Section 4.2.6, 5.3, 5.5 or 5.7, or if the obligation of any Lender to make or continue LIBO Rate Loans is suspended pursuant to Section 5.1(a), then such Lender Party will change the jurisdiction of its Lending Office if, in the judgment of such Lender Party, such change (i) will eliminate or reduce any such additional payment which may thereafter accrue or will avoid such suspension and (ii) is not otherwise disadvantageous to such Lender Party.

ARTICLE VI

CONDITIONS TO MAKING CREDIT EXTENSIONS AND ACCESSION OF ACCEDING BORROWERS

SECTION 6.1. Initial Credit Extension. The obligation of each Lender and, if applicable, any Issuer to make the initial Credit Extension shall be subject to the prior or concurrent satisfaction of each of the conditions precedent set forth in this Section 6.1.

SECTION 6.1.1. Resolutions, etc. The Administrative Agent shall have received from each Obligor a certificate, dated the Effective Date and with counterparts for each Lender, duly executed and delivered by the Secretary, Assistant Secretary or other authorized representative of such Obligor as to:

(a) resolutions of its Board of Directors or its Executive Committee, as the case may be, then in full force and effect authorizing the execution, delivery and performance of this Agreement and the Guaranty and each other Loan Document to be executed by it;

(b) the incumbency and signatures of those of its officers authorized to act with respect to this Agreement and the Guaranty and each other Loan Document to be executed by it; and

(c) the Organic Documents of such Obligor (including, without limitation, with respect to Micro, a copy of the executed Board Representation Agreement),

upon which certificate each Lender may conclusively rely until the Administrative Agent shall have received a further certificate of the Secretary of the relevant Obligor canceling or amending such prior certificate. In addition, each Obligor shall have delivered to the Administrative Agent a good standing certificate from the relevant governmental regulatory institution of its jurisdiction of incorporation, each such certificate to be dated a date reasonably near (but prior to) the date of the initial Credit Extension.

SECTION 6.1.2. Effective Date Certificate. The Administrative Agent shall have received, with counterparts for each Lender, the Effective Date Certificate, dated the Effective Date and duly executed and delivered by the chief executive officer, an Authorized Person or the Treasurer of Micro. All documents and agreements required to be appended to the Effective Date Certificate shall be in form and substance satisfactory to the Lenders.

SECTION 6.1.3. Delivery of Notes. The Administrative Agent shall have received, for the account of each Lender, such Lender's Revolving Note, Bid Rate Note and Non-Rata Revolving Note, duly executed and delivered by the Obligor party thereto, as the case may be.

SECTION 6.1.4. Guaranties, etc. The Administrative Agent shall have received, with counterparts for each Lender, (a) each of the Guaranties in effect as of the Effective Date, dated the date hereof, duly executed and delivered by an Authorized Person of the relevant Guarantor and (b) the Intra-Group Agreement, dated the date hereof and duly executed by each Borrower that is a Guarantor.

SECTION 6.1.5. Financial Information, etc. The Administrative Agent shall have received true and correct copies for each Lender, of

(a) audited consolidated financial statements of Micro and its Consolidated Subsidiaries for its last Fiscal Year, prepared in accordance with GAAP free of any Impermissible Qualifications; and

(b) unaudited consolidated financial statements for Micro and its Consolidated Subsidiaries for the first two Fiscal Periods of the 1996 Fiscal Year, prepared in accordance with GAAP.

SECTION 6.1.6. Compliance Certificate. The Administrative Agent shall have received, with counterparts for each Lender, an initial Compliance Certificate, dated as of the Effective Date.

SECTION 6.1.7. Payment of Outstanding Indebtedness. The Administrative Agent shall have received evidence satisfactory to it that contemporaneously with the making of the initial Credit Extension (a) all "Obligations" (including those in respect of Indebtedness thereunder and accrued interest with respect thereto) under the Existing Industries Credit Agreement shall be satisfied in full, whether through the application, directly or indirectly, of any portion of the proceeds of such initial Credit Extension or through the application of other moneys, and (b) all "Commitments" under the Existing Industries Credit Agreement shall be terminated.

SECTION 6.1.8. Consents, etc. The Administrative Agent shall have received evidence satisfactory to it as to the receipt by each Obligor of any necessary consents or waivers under any agreement applicable to such Obligor in order to enable such Obligor to enter into this Agreement and any other Loan Document, to perform its obligations hereunder and thereunder and, in the case of each Borrower, to obtain Credit Extensions hereunder.

SECTION 6.1.9. Closing Fees, Expenses, etc. The Administrative Agent and each Lender shall have received payment in full of all fees, costs and expenses due and payable pursuant to Sections 4.3 and 11.3 (to the extent then invoiced).

SECTION 6.1.10. Opinions of Counsel. The Administrative Agent shall have received opinions of counsel, dated the Effective Date and addressed to the Documentation Agent, the Administrative Agent and all the Lenders, from:

(a) James E. Anderson, General Counsel of Micro, covering the matters set forth in Exhibit M hereto;

(b) Davis Polk & Wardwell, special counsel to Micro, covering the matters set forth in Exhibit N hereto;

(c) Baker & McKenzie, special Belgian counsel to Coordination Center, substantially in the form of Exhibit O hereto;

(d) Fogler, Rubinoff, special Canadian counsel to Micro Canada, substantially in the form of Exhibit P hereto;

(e) Yeo Wee Kiong and Partners, special Singapore counsel to Micro Singapore, substantially in the form of Exhibit Q hereto; and

(f) King & Spalding, counsel to the Agents, substantially in the form of Exhibit R hereto.

SECTION 6.1.11. Investment Prospectus. The Administrative Agent shall have received a true and correct copy of the final Prospectus (filed or to be filed with the Securities and Exchange Commission pursuant to Rule 424(b) under the Securities Act of 1933, as amended) (the "Investment Prospectus") and comprising a part of the registration statement on Form S-1 (Registration No. 333-08453) filed with the Securities and Exchange Commission in connection with the Investment.

SECTION 6.1.12. Senior Executive Officer's Certificate. The Administrative Agent shall have received, with counterparts for each Lender, a certificate, dated the Effective Date and duly executed and delivered by a senior executive officer of Micro stating that (i) the First Closing (as defined in the Amended and Restated Exchange Agreement referred to below) has occurred of the share exchanges contemplated by that certain Amended and Restated Exchange Agreement to be entered into among Industries, Entertainment, Micro and certain shareholders of Industries, (ii) each of Ingram Micro Holdings Inc., a California corporation, and Ingram Micro Inc., a California corporation, has merged into Micro, (iii) the Investment has been successfully completed or will be successfully completed concurrently with the initial Credit Extension hereunder; (iv) since December 31, 1995, there has occurred no event or events which, singly or in the aggregate, has resulted in a Material Adverse Effect; and (v) the descriptions of the Transition Agreements and the transactions contemplated thereby set forth in the annexes attached thereto, when taken as a whole, do not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

SECTION 6.1.13. Satisfactory Legal Form. All documents executed or submitted pursuant to this ARTICLE VI by or on behalf of each Obligor shall be satisfactory in form and substance to the Administrative Agent (who may rely upon the advice of its legal counsel with respect to legal matters in making such determination) and the Administrative Agent shall have received such additional information, approvals, opinions, documents or instruments as the Administrative Agent or the Required Lenders may reasonably request.

SECTION 6.2. All Credit Extensions. The obligation of each Lender to make any Credit Extension (including the initial Credit Extension) shall be subject to the satisfaction of each of the additional conditions precedent set forth in this Section 6.2.

SECTION 6.2.1. Compliance with Warranties, No Default, etc. Both before and after giving effect to such Credit Extension other than any continuation or conversion (except as otherwise set forth in the final proviso to this Section) of a Borrowing (but, if any Default of the nature referred to in Section 9.1.5 shall have occurred with respect to any other Indebtedness, without giving effect to the application, directly or indirectly, of the proceeds of such Credit Extension to such other Indebtedness), the following statements shall be true and correct:

(a) the representations and warranties of each Obligor set forth in ARTICLE VII (excluding, however, those contained in Section 7.8) and in any other Loan Document shall be true and correct with the same effect as if then made (unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date); provided, however, that if any of the financial statements delivered pursuant to clause (b) of Section 8.1.1 do not present fairly the consolidated financial condition of the Persons covered thereby as of the dates thereof and the results of their operations for the periods then ended and Micro subsequently delivers one or more financial statements pursuant to clause (a) or (b) of Section 8.1.1 which, in the opinion of the Required Lenders, effectively cures any omission or misstatement contained in such prior delivered financial statement, the representation and warranty contained in Section 7.6 as it relates to such prior delivered financial statement shall be deemed satisfied for purposes hereof (it being understood and agreed that such subsequent delivered financial statements shall be deemed to have cured such earlier delivered inaccurate financial statements unless the Required Lenders raise an objection with respect thereto);

(b) except as disclosed in Item 7.8 (Litigation) of the Disclosure Schedule:

(i) no labor controversy, litigation, arbitration or governmental investigation or proceeding shall be pending or, to the knowledge of any Obligor, threatened against any Obligor, or any of their respective Consolidated Subsidiaries in respect of

which there exists a reasonable possibility of an outcome that would result in a Material Adverse Effect or that would affect the legality, validity or enforceability of this Agreement or any other Loan Document; and

(ii) no development shall have occurred in any labor controversy, litigation, arbitration or governmental investigation or proceeding so disclosed in respect of which there exists a reasonable possibility of an outcome that would result in a Material Adverse Effect;

(c) no Default shall have occurred and be continuing, and no Obligor, nor any of their respective Subsidiaries, shall be in violation of any law or governmental regulation or court order or decree which, singly or in the aggregate, results in, or would reasonably be expected to result in, a Material Adverse Effect; and

(d) the Outstanding Credit Extensions of all the Lenders do not exceed the Total Credit Commitment Amount (as such amount may be reduced from time to time pursuant to Section 2.3);

provided however, that, in the case of any continuation or conversion of a Borrowing, no Event of Default shall have occurred and be continuing.

SECTION 6.2.2. Credit Extension Request. In the case of any Pro-Rata Credit Extension the Administrative Agent shall have received the relevant Credit Extension Request in a timely manner as herein provided for such Pro-Rata Credit Extension. Delivery of a Credit Extension Request and the acceptance by Micro or any other Borrower of the proceeds of any Pro-Rata Credit Extension shall constitute a representation and warranty by each Obligor that, on the date of making such Pro-Rata Credit Extension (both immediately before and after giving effect to the making of such Pro-Rata Credit Extension and the application of the proceeds thereof), the statements made in Section 6.2.1 are true and correct.

SECTION 6.2.3. Non-Rata Revolving Loans. In the case of any requested Non-Rata Revolving Loan, each of the applicable conditions set forth in Sections 3.3 and 6.2 or otherwise specified by the relevant Lender in connection with such Non-Rata Revolving Loan shall have been satisfied.

SECTION 6.2.4. Non-Rata Letters of Credit. In the case of any requested Non-Rata Letter of Credit, each of the applicable conditions set forth in Sections 3.4 and 6.2 or otherwise specified by the relevant Issuer (with respect to Non-Rata Letters of Credit) in connection with such Non-Rata Letter of Credit shall have been satisfied.

SECTION 6.2.5. Bid Rate Loans. In the case of any requested Bid Rate Loan, each of the applicable conditions set forth in Sections 3.5 and 6.2 or otherwise specified by the relevant Lender in connection with such Bid Rate Loan shall have been satisfied.

SECTION 6.3. Acceding Borrowers. Subject to the prior or concurrent satisfaction of the conditions precedent set forth in this Section 6.3, any Subsidiary of Micro may become a party hereto and a Supplemental Borrower and an Obligor hereunder subsequent to the Effective Date (each such Subsidiary of Micro, an "Acceding Borrower"), entitled to all the rights and subject to all the obligations incident thereto and each Acceding Borrower may request the Lenders to make Non-Rata Credit Extensions on the terms and subject to the conditions of this Agreement.

SECTION 6.3.1. Resolutions, etc. The Administrative Agent shall have received from such Acceding Borrower a certificate, dated the date such Acceding Borrower is accepted by the Administrative Agent as a Supplemental Borrower hereunder and with counterparts for each Lender, duly executed and delivered by the Secretary, Assistant Secretary or other authorized representative of such Acceding Borrower as to:

(a) resolutions of its Board of Directors or its Executive Committee, as the case may be, then in full force and effect authorizing the execution, delivery and performance of this Agreement and the Guaranty and each other Loan Document to be executed by it;

(b) the incumbency and signatures of those of its officers authorized to act with respect to this Agreement and the Guaranty and each other Loan Document to be executed by it; and

(c) the Organic Documents of such Acceding Borrower,

upon which certificate each Lender may conclusively rely until the Administrative Agent shall have received a further certificate of the Secretary of such Acceding Borrower canceling or amending such prior certificate. In addition, each Acceding Borrower shall have delivered to the Administrative Agent a good standing certificate from the relevant governmental regulatory institution of its jurisdiction of organization, each such certificate to be dated a date reasonably near (but prior to) the date such Acceding Borrower becomes a Supplemental Borrower hereunder.

SECTION 6.3.2. Delivery of Accession Request and Acknowledgment and Notes. The Administrative Agent shall have received (a) an original Accession Request and Acknowledgment duly completed and executed and delivered by such Acceding Borrower and originals of any other instruments evidencing accession of such Acceding Borrower hereunder as the Administrative Agent may reasonably request, in each case effective as of the date such Acceding Borrower becomes a Supplemental Borrower hereunder and (b) for the account of each Lender (unless illegal (or otherwise likely to result in consequences materially adverse to such Acceding Borrower) under any local law, rule or regulation applicable to such Acceding

Borrower, in which case such Acceding Borrower shall provide prior notice thereof to the Lenders and shall provide (prior to the date such Acceding Borrower becomes a Supplemental Borrower hereunder) other evidence of such Indebtedness or other documentation acceptable to the Required Lenders) such Lender's Bid Rate Note and Non-Rata Revolving Note, duly executed and delivered by such Acceding Borrower and in effect on the date such Acceding Borrower becomes a Supplemental Borrower hereunder.

SECTION 6.3.3. Guaranties, etc. The Administrative Agent shall have received, with counterparts for each Lender, (a) an Additional Guaranty executed by such Acceding Borrower, in effect as of the date such Acceding Borrower becomes a Supplemental Borrower hereunder, duly executed and delivered by an Authorized Person of such Acceding Borrower and (b) such instruments and documents evidencing accession of such Acceding Borrower under the Intra-Group Agreement as the Administrative Agent may reasonably request, in each case effective with respect to such Acceding Borrower as of the date such Acceding Borrower becomes a Supplemental Borrower hereunder.

SECTION 6.3.4. Compliance Certificate. The Administrative Agent shall have received, with counterparts for each Lender, a Compliance Certificate from Micro, dated the date such Acceding Borrower becomes a Supplemental Borrower hereunder.

SECTION 6.3.5. Consents, etc. The Administrative Agent shall have received evidence satisfactory to it as to the receipt by such Acceding Borrower of any necessary consents or waivers under any agreement applicable to such Acceding Borrower in order to enable such Acceding Borrower to enter into this Agreement and any other Loan Document, to perform its obligations hereunder and thereunder and to obtain Credit Extensions hereunder.

SECTION 6.3.6. Opinions of Counsel. The Administrative Agent shall have received an opinion of counsel, dated the date such Acceding Borrower becomes a Supplemental Borrower hereunder and addressed to the Documentation Agent, the Administrative Agent and all the Lenders, from the General Counsel of Micro, or such other counsel as shall be reasonably satisfactory to the Administrative Agent, covering the matters set forth in Exhibit M hereto as to such Acceding Borrower.

SECTION 6.4. Waiver of Notice under Existing Industries Credit Agreement. By its execution of this Agreement, each Lender that is a party to the Existing Industries Credit Agreement (if in effect on the date of the initial Credit Extension) agrees to waive the requirements set forth in Sections 2.3 and 4.1 of the Existing Industries Credit Agreement for the provision of advance notice by Industries and any other borrower thereunder to the administrative agent thereunder in respect of the consummation of the transactions contemplated by Section 6.1.7 hereof.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

In order to induce the Lender Parties to enter into this Agreement and to make Credit Extensions hereunder, each Borrower represents and warrants unto the Administrative Agent and each Lender with respect to itself and the other Obligors as set forth in this ARTICLE VII.

SECTION 7.1. Organization, etc. Each of the Obligors and each of their respective Subsidiaries is a company or corporation, as the case may be, validly organized and existing and in good standing under the laws of the jurisdiction of its incorporation or organization, is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction where the nature of its business requires such qualification and where the failure to so qualify and to maintain such good standing, singularly or in the aggregate, has resulted in, or would reasonably be expected to result in, a Material Adverse Effect, and has full power and authority and holds all requisite governmental licenses, permits, authorizations and other approvals to enter into and perform its Obligations under this Agreement and each other Loan Document to which it is a party and to own and hold under lease its property and to conduct its business substantially as currently conducted by it, excluding any such governmental licenses, permits or other approvals in respect of which the failure to so obtain, hold or maintain has not caused, and would not reasonably be expected to result in, a Material Adverse Effect.

SECTION 7.2. Due Authorization, Non-Contravention, etc. The execution, delivery and performance by each Obligor of this Agreement and each other Loan Document executed or to be executed by it are within such Obligor's corporate powers, have been duly authorized by all necessary corporate action, and do not

(a) contravene such Obligor's Organic Documents;

(b) contravene any law or governmental regulation or court decree or order binding or affecting such Obligor; or

(c) result in, or require the creation or imposition of, any Lien on any of such Obligor's properties.

SECTION 7.3. No Default. None of the Obligors, nor any of their respective Subsidiaries, is in default in the performance of any obligation, agreement or condition contained in any bond, debenture, note, or in any indenture, loan agreement, or other agreement, in connection with or as a result of which default there exists a reasonable possibility that a Material Adverse Effect could arise. The execution, delivery and performance by each Obligor of this Agreement and each other Loan Document

executed or to be executed by such Obligor will not conflict with, or constitute a breach of, or a default under, any such bond, debenture, note, indenture, loan agreement or other agreement to which any Obligor or any of their respective Subsidiaries is a party or by which it is bound, in connection with, or as a result of which, conflict, breach or default, there exists a reasonable possibility that a Material Adverse Effect could arise.

SECTION 7.4. Government Approval, Regulation, etc. No action by, and no notice to or filing with, any governmental authority or regulatory body or other Person and no payment of any stamp or similar tax, is required for the due execution, delivery or performance by any Obligor of this Agreement or any other Loan Document to which it is a party. No Obligor, nor any of their respective Subsidiaries is an "investment company" within the meaning of the Investment Company Act of 1940, as amended (the "Investment Company Act"), or a "holding company", or a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended.

SECTION 7.5. Validity, etc. This Agreement constitutes, and each other Loan Document executed by any Obligor will, on the due execution and delivery thereof, constitute, the legal, valid and binding obligations of each Obligor party thereto, enforceable against such Obligor in accordance with their respective terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally or by general principles of equity.

SECTION 7.6. Financial Information. The financial statements of Micro and its Consolidated Subsidiaries to be delivered pursuant to Section 6.1.5 will have been prepared in accordance with GAAP and present fairly (subject, in the case of such financial statements delivered pursuant to clause (b) thereof (which financial statements, in accordance with Section 1.4(a) hereof, are not required to contain certain footnote disclosures required by GAAP), to ordinary year-end adjustments) the consolidated financial condition of the Persons covered thereby as at the dates thereof and the results of their operations for the periods then ended. All the financial statements delivered pursuant to clauses (a) and (b) of Section 8.1.1 have been and will be prepared in accordance with GAAP consistently applied, and do or will present fairly (subject, in the case of such financial statements delivered pursuant to clause (b) thereof (which financial statements, in accordance with Section 1.4(a) hereof, are not required to contain certain footnote disclosures required by GAAP), to ordinary year-end adjustments) the consolidated financial condition of the Persons covered thereby as of the dates thereof and the results of their operations for the periods then ended.

SECTION 7.7. No Material Adverse Effect. Since December 31, 1995, there has been no event or events which, singly or in the aggregate, have resulted in a Material Adverse Effect.

SECTION 7.8. Litigation, Labor Controversies, etc. Except as disclosed in Item 7.8 (Litigation) of the Disclosure Schedule, there is no pending or, to the knowledge of any Obligor, threatened litigation, action, proceeding or labor controversy affecting any Obligor, or any of their respective Subsidiaries, or any of their respective properties, businesses, assets or revenues, in respect of which there exists a reasonable possibility of an outcome that would result in a Material Adverse Effect or that would affect the legality, validity or enforceability of this Agreement or any other Loan Document.

SECTION 7.9. Subsidiaries. As of the date hereof, Micro has no Subsidiaries, except those Subsidiaries which are identified in Item 7.9 (Existing Subsidiaries) of the Disclosure Schedule and certain other Subsidiaries that are shell corporations that do not conduct any business and do not in the aggregate have a net worth exceeding $1,000,000.

SECTION 7.10. Ownership of Properties. Each Obligor and each of their respective Subsidiaries owns good and marketable title (or their respective equivalents in any applicable jurisdiction) to all of its properties and assets, real and personal, tangible and intangible, of any nature whatsoever, free and clear of all Liens, charges or claims except as permitted pursuant to Section 8.2.2, except where such failure or failures to own, singly or in the aggregate, has not resulted in, or would not reasonably be expected to result in, a Material Adverse Effect.

SECTION 7.11. Taxes. Each Obligor and each of their respective Subsidiaries has filed all material tax returns and reports it reasonably believes are required by law to have been filed by it and has paid all taxes and governmental charges thereby shown to be owing, except as disclosed in Item 7.11 (Taxes) of the Disclosure Schedule and except for any such taxes or charges which are being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books; provided, however, that with respect to any Subsidiary that is not a Material Subsidiary this representation and warranty shall be satisfied if the tax returns or reports not so filed or the taxes or governmental charges owing by each such Subsidiary are not with respect to any income, sales or use tax and the amount so owing (or which would be so owing if such tax returns or reports were duly filed) with respect to all such Subsidiaries, does not exceed in the aggregate $1,000,000 at any time.

SECTION 7.12. Pension and Welfare Plans. Except to the extent that any such termination, liability, penalty or fine would not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect, (a) during the twelve-consecutive-month period prior to the date hereof and prior to the date of any Credit Extension hereunder, except as disclosed in Item 7.12 (Employee Benefit Plans) of the Disclosure

Schedule, no steps have been taken to terminate any Pension Plan, and no contribution failure has occurred with respect to any Pension Plan sufficient to give rise to a Lien under section 302(f) of ERISA, (b) no condition exists or event or transaction has occurred with respect to any Pension Plan which might result in the incurrence by any Obligor or any member of the related Controlled Group of any material liability with respect to any contribution thereto, fine or penalty, and (c) except as disclosed in Item 7.12 (Employee Benefit Plans) of the Disclosure Schedule, neither any Obligor nor any member of the related Controlled Group has any material contingent liability with respect to any post-retirement benefit under a Welfare Plan, other than liability for continuation coverage described in Part 6 of Title I of ERISA.

SECTION 7.13. Environmental Warranties.

(a) Each Obligor and each of their respective Subsidiaries has obtained all environmental, health and safety permits, licenses and other authorizations required under all Environmental Laws to carry on its business as now being or as proposed to be conducted, except to the extent failure to have any such permit, license or authorization would not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect. Each of such permits, licenses and authorizations is in full force and effect and each Obligor and each of their respective Subsidiaries is in compliance with the terms and conditions thereof, and is also in compliance with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in any applicable Environmental Law or in any plan, judgment, injunction, notice or demand letter issued, entered or approved thereunder, except to the extent failure to comply therewith would not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect.

(b) No notice, notification, demand, request for information, citation, summons or order has been issued, no complaint has been filed, no penalty has been assessed and no investigation or review is pending or, to the knowledge of any Obligor, threatened by any governmental or other entity with respect to any alleged failure by any Obligor or any of their respective Subsidiaries to have any environmental, health or safety permit, license or other authorization required under any Environmental Law in connection with the conduct of the business of any Obligor or any of their respective Subsidiaries or with respect to any generation, treatment, storage, recycling, transportation, discharge or disposal, or any Release of any Hazardous Materials generated by any Obligor or any of their respective Subsidiaries, except to the extent failure to have any such permit, license or authorization would not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect.

SECTION 7.14. Outstanding Indebtedness. As of the date hereof neither Micro nor any of its Subsidiaries has any outstanding Indebtedness other than Indebtedness disclosed in Item 7.14 (Outstanding Indebtedness) of the Disclosure Schedule and Indebtedness that could be incurred pursuant to clause (ii) of Section 8.2.1 (a).

SECTION 7.15. Accuracy of Information.

(a) Except as otherwise set forth in paragraph (b) of this Section, all factual information furnished by or on behalf of any Obligor to any Lender Party for purposes of or in connection with this Agreement or any transaction contemplated hereby is, when taken as a whole, to the best of the knowledge of each Borrower, and all other factual information hereafter furnished by or on behalf of any Obligor to any Lender Party will be, when taken as a whole, to the best of the knowledge of each Borrower, true and accurate in all material respects on the date as of which such information is dated or certified and (in the case of any such information furnished prior to the date hereof) as of the date hereof (unless such information relates to an earlier date, in which case such information, when taken as a whole, shall be true and accurate in all material respects as of such earlier date), and is not, or shall not be, as the case may be, when taken as a whole, incomplete by omitting to state any material fact necessary to make such information not misleading.

(b) The information (i) describing the Transition Agreements and the transactions contemplated thereby set forth in the annexes to the certificate delivered to the Administrative Agent pursuant to Section 6.1.12, when considered as a whole, does not and will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (ii) contained in any financial projections furnished hereunder is and will be based upon assumptions and information believed by Micro to be reasonable, and (iii) furnished with express written disclaimers with regard to the accuracy thereof, is and shall be subject to such disclaimers.

SECTION 7.16. Patents, Trademarks, etc. Each Obligor and each of their respective Subsidiaries owns and possesses, or has a valid and existing license of, or other sufficient interest in, all such patents, patent rights, trademarks, trademark rights, trade names, trade name rights, service marks, service mark rights and copyrights as is necessary for the conduct of the business of each such Obligor or its Subsidiaries as now conducted, without, to the best of the knowledge of each such Obligor, any infringement upon rights of other Persons, which infringement results in or would reasonably be expected to result in a Material Adverse Effect, and there is no license or other interest or right, the loss of which results in, or would reasonably be expected to result in, a Material Adverse Effect.

SECTION 7.17. Margin Stock. No part of the proceeds of any Credit Extension shall be used at any time by any Obligor or any of their respective Subsidiaries for the purpose, whether immediate, incidental or ultimate, of buying or carrying Margin Stock (within the meaning of Regulation U (as amended, modified, supplemented or replaced and in effect from time to time, "Regulation U") promulgated by the F.R.S. Board of Governors of the Federal Reserve System (together with any successor thereto, the "F.R.S. Board")) or to extend credit to others for the purpose of purchasing or carrying any Margin Stock if any such use or extension of credit described in this Section 7.17 would cause any of the Lender Parties to violate the provisions of Regulation U. Neither any Obligor nor any of their respective Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purposes of purchasing or carrying any such Margin Stock within the meaning of Regulation U. Not more than 25% of the value of the assets of any Obligor or any Subsidiary of any Obligor is, as of the date hereof, represented by Margin Stock. No part of the proceeds of any Credit Extension will be used by any Obligor or any of their respective Subsidiaries for any purpose which violates, or which is inconsistent with, any regulations promulgated by the F.R.S. Board, including Regulation U.

ARTICLE VIII

COVENANTS

SECTION 8.1. Affirmative Covenants. Each Borrower agrees with the Agents and each Lender that, until all the Commitments have terminated and all Obligations have been paid and performed in full, each Borrower will perform its respective obligations set forth in this Section 8.1.

SECTION 8.1.1. Financial Information, Reports, Notices, etc. Micro will furnish, or will cause to be furnished, to each Lender Party copies of the following financial statements, reports, notices and information:

(a) as soon as available and in any event within 120 days after the end of each Fiscal Year of Micro, a copy of the annual audit report for such Fiscal Year for Micro and its Consolidated Subsidiaries, including therein consolidated balance sheets of Micro and its Consolidated Subsidiaries as of the end of such Fiscal Year and consolidated statements of earnings, stockholders' equity and cash flow of Micro and its Consolidated Subsidiaries for such Fiscal Year, setting forth in each case, in comparative form, the figures for the preceding Fiscal Year, in each case certified (without any Impermissible Qualification, except that (i) qualifications relating to pre-acquisition balance sheet accounts of Person(s) acquired by Micro or any of its Subsidiaries and (ii) statements of reliance in the auditor's opinion on another accounting firm shall not be deemed an Impermissible Qualification) in a manner satisfactory to the Securities and Exchange Commission (under applicable United States securities law) by Price Waterhouse or its successors or other independent public accountants of national reputation;

(b) as soon as available and in any event within 60 days after the end of each of the first three Fiscal Periods occurring during any Fiscal Year of Micro, a copy of the unaudited consolidated and consolidating financial statements of Micro and its Consolidated Subsidiaries, consisting of (i) a balance sheet as of the close of such Fiscal Period and (ii) related statements of earnings and cash flows for such Fiscal Period and from the beginning of such Fiscal Year to the end of such Fiscal Period, in each case certified by an officer who is an Authorized Person of Micro as to (A) being a complete and correct copy of such financial statements which have been prepared in accordance with GAAP consistently applied as provided in Section 1.4, and (B) presenting fairly the financial position of Micro and its Consolidated Subsidiaries;

(c) at the time of delivery of each financial statement required by clause (a) or (b), a certificate signed by an Authorized Person of Micro stating that no Default has occurred and is continuing (or if a Default has occurred and is continuing, and without prejudice to any rights or remedies of any Lender Party hereunder in connection therewith, a statement of the nature thereof and the action which Micro has taken or proposes to take with respect thereto);

(d) at the time of delivery of each financial statement required by clause (a) or (b), a Compliance Certificate showing compliance with the financial covenants set forth in Section 8.2;

(e) to the extent not otherwise disclosed in a report on Form 10-K, Form 10-Q or Form 8-K filed with the Securities and Exchange Commission and previously furnished pursuant to clause (f) below, as soon as possible after (i) the occurrence of any material adverse development with respect to any litigation, action, proceeding, or labor controversy disclosed in Item 7.8 (Litigation) of the Disclosure Schedule, or (ii) the commencement of any labor controversy, litigation, action, proceeding of the type described in Section 7.8, notice thereof;

(f) promptly after the filing thereof, copies of (i) any registration statements (other than the exhibits thereto and excluding any registration statement on Form S-8 and any other registration statement relating exclusively to stock, bonus, option, 401(k) and other similar plans for officers, directors and employees of Micro, Industries, Entertainment or any of their respective Subsidiaries), (ii) any amendments or supplements to the Investment Prospectus and (iii) all reports on Form 10-K, Form 10-Q or Form 8-K (or any

respective successor forms thereto) which Micro or any Subsidiary of Micro is required to file with the Securities and Exchange Commission (or any successor authority) or any national securities exchange (including, in each case, any exhibits thereto requested by any Lender Party);

(g) to the extent not otherwise disclosed in a report on Form 10-K, Form 10-Q or Form 8-K filed with the Securities and Exchange Commission and previously furnished pursuant to clause (f) above, immediately upon becoming aware of the institution of any steps by any Obligor or any other Person to terminate any Pension Plan other than pursuant to Section 4041(b) of ERISA, or the failure to make a required contribution to any Pension Plan if such failure is sufficient to give rise to a Lien under Section 302(f) of ERISA, or the taking of any action with respect to a Pension Plan which could result in the requirement that any Obligor furnish a bond or other security to the PBGC or such Pension Plan, or the occurrence of any other event with respect to any Pension Plan which, in any such case, results in, or would reasonably be expected to result in, a Material Adverse Effect, notice thereof and copies of all documentation relating thereto;

(h) as soon as possible and in any event within three Business Days after becoming aware of the occurrence of a Default or any inaccuracy in the financial statements delivered pursuant to clause (a) or (b) of Section 8.1.1 if the result thereof is not to present fairly the consolidated financial condition of the Persons covered thereby as of the dates thereof and the results of their operations for the periods then ended, a statement of an Authorized Person of Micro setting forth the details of such Default or inaccuracy and the action which Micro has taken or proposes to take with respect thereto;

(i) in the case of each Borrower, promptly following the consummation of any transaction described in Section 8.2.5, a description in reasonable detail regarding the same; and

(j) such other information respecting the condition or operations, financial or otherwise, of each Borrower, or any of their respective Subsidiaries as any Lender through the Administrative Agent may from time to time reasonably request.

SECTION 8.1.2. Compliance with Laws, etc. Each Borrower will (and each Borrower will cause each of its Subsidiaries to) comply in all respects with all applicable laws, rules, regulations and orders the noncompliance with which results in, or would reasonably be expected to result in, a Material Adverse Effect, such compliance to include (without limitation):

(a) except as may be otherwise permitted pursuant to Section 8.2.5, the maintenance and preservation of its corporate existence (and in the case of Coordination Center, its status as a coordination center) in accordance with the laws of the jurisdiction of its incorporation and qualification as a foreign corporation (subject to the materiality standard referred to above); and

(b) the payment, before the same become delinquent, of all taxes, assessments and governmental charges imposed upon it or upon its property except to the extent being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books; provided, however, that with respect to any Subsidiary that is not a Material Subsidiary this covenant shall be satisfied if the taxes, assessments or other governmental charges owing by each such Subsidiary (i) is not with respect to any income, sales or use tax and (ii) the amount so owing with respect to all such Subsidiaries does not exceed in the aggregate $1,000,000 at any time.

SECTION 8.1.3. Maintenance of Properties. Each Borrower will (and each Borrower will cause each of its Subsidiaries to) maintain, preserve, protect and keep its material properties in good repair, working order and condition, and make necessary and proper repairs, renewals and replacements so that its business carried on in connection therewith may be properly conducted at all times, unless such Borrower or such Subsidiary determines in good faith that the continued maintenance of any of its properties is no longer economically desirable.

SECTION 8.1.4. Insurance. Each Borrower will (and each Borrower will cause each of its Subsidiaries to) maintain, or cause to be maintained with responsible insurance companies or through such Borrower's own program of self-insurance, insurance with respect to its properties and business against such casualties and contingencies and of such types and in such amounts as is customary in the case of similar businesses and will, upon request of the Administrative Agent, furnish to each Lender at reasonable intervals a certificate of an Authorized Person of such Borrower setting forth the nature and extent of all insurance maintained by such Borrower and each of its Subsidiaries in accordance with this Section 8.1.4.

SECTION 8.1.5. Books and Records. Each Borrower will (and each Borrower will cause each of its Subsidiaries to) keep books and records which accurately reflect all of its business affairs and transactions and permit the Administrative Agent and each Lender, or any of their respective representatives, at reasonable times and intervals, to visit all of its offices, to discuss its financial matters with its officers and independent public accountants (and each Borrower hereby authorizes such independent public accountants to discuss the financial matters of such Borrower and its Subsidiaries with the Administrative Agent and each Lender or its representatives whether or not any representative of such Borrower is present but provided that an officer of such Borrower is afforded a reasonable opportunity to be present at any such discussion) and to examine any of its

relevant books or other corporate records. Micro will pay all expenses associated with the exercise of any Lender Party's rights pursuant to this Section 8.1.5 at any time during the occurrence and continuance of any Event of Default.

SECTION 8.1.6. Environmental Covenant. Each Borrower will (and each Borrower will cause each of its Subsidiaries to):

(a) use and operate all of its facilities and properties in compliance with all Environmental Laws which, by their terms, apply to such use and operation, keep all necessary permits, approvals, certificates, licenses and other authorizations relating to environmental matters in effect and remain in compliance therewith, and handle all Hazardous Materials in compliance with all Environmental Laws which, by their terms, apply to such Hazardous Materials, in each case so that the non-compliance with any of the foregoing does not result in, or would not reasonably be expected to result in, either singly or in the aggregate, a Material Adverse Effect;

(b) immediately notify the Administrative Agent and provide copies upon receipt of all written claims, complaints, notices or inquiries relating to the condition of its facilities and properties or compliance with Environmental Laws which, singly or in the aggregate, result in, or would reasonably be expected to result in, a Material Adverse Effect, and shall promptly cure and have dismissed with prejudice any actions and proceedings relating to compliance with Environmental Laws where the failure to so cure or have dismissed, singularly or in the aggregate, results in, or would reasonably be expected to result in, a Material Adverse Effect (it being understood that this clause (b) shall not be construed to restrict any Borrower or any of its Subsidiaries from challenging or defending any such action or proceeding which it, in its sole discretion, deems advisable or necessary); and

(c) provide such information and certifications which the Administrative Agent may reasonably request from time to time to evidence compliance with this Section 8.1.6.

SECTION 8.1.7. Use of Proceeds. Each Borrower shall apply the proceeds of each Credit Extension in accordance with the last recital of this Agreement and shall not use directly and immediately, any proceeds to acquire, or finance the acquisition of, any equity interest in Coordination Center.

SECTION 8.1.8. Pari Passu. Each Borrower shall ensure that such Borrower's Obligations rank at least pari passu with all other unsecured Indebtedness of such Borrower.

SECTION 8.1.9. Guarantee or Suretyship. If any Borrower or any of its Subsidiaries becomes a party to any contract of guarantee or suretyship which would constitute Indebtedness, or if any of its assets becomes subject to such a contract, that contract will be disclosed in the next financial information to be provided by Micro pursuant to clause (c) of Section 8.1.1; provided, however, that any failure to comply with the disclosure obligations of this Section 8.1.9 shall not constitute a Default unless the existence of the contract or contracts of guarantee or suretyship which Micro fails to disclose would result in a Default under clause (c) of Section 8.2.3.

SECTION 8.1.10. Additional Guaranty. Micro (a) may cause any of its Subsidiaries to execute and deliver from time to time in favor of the Lender Parties additional guaranties (each an "Additional Guaranty") for the repayment of the Obligations and (b) shall, concurrently or promptly after any of its Subsidiaries (i) guarantees any Indebtedness of Micro or any other Obligor or (ii) satisfies (at any time) the requirements hereunder which describe a Material Subsidiary, cause such Subsidiary to execute and deliver in favor of the Lender Parties an Additional Guaranty for the repayment of the Obligations. Each Additional Guaranty (including, without limitation, any Additional Guaranty executed and delivered by an Acceding Borrower pursuant to Section 6.3.3) shall be in substantially the form of Exhibit J attached hereto, shall be governed by the laws of a State of the United States and shall contain such other terms and provisions as the Administrative Agent determines to be necessary or appropriate (after consulting with legal counsel) in order that such Additional Guaranty complies with local laws, rules and regulations and is fully enforceable (at least to the extent of such Additional Guaranty) against such Additional Guarantor; provided, that, in the event it shall be illegal under any local law, rule or regulation for any Additional Guaranty to be governed by the law of any State of the United States, and the Administrative Agent shall have received evidence of such illegality (including, if the Administrative Agent shall so request, an opinion of local counsel as to such matters, which counsel and the form and substance of such opinion shall be reasonably satisfactory to the Administrative Agent) reasonably satisfactory to it, the Administrative Agent shall consent to such Additional Guaranty being governed by the laws of a jurisdiction outside of the United States, which jurisdiction shall be subject to the prior approval of the Administrative Agent.

In connection with the delivery of any such Additional Guaranty by an Additional Guarantor there shall be delivered an opinion of counsel (which counsel and the form and substance of such opinion shall be reasonably satisfactory to the Administrative Agent and the Required Lenders, it being agreed that if the Additional Guaranty is governed by the laws of any State of the United States, the General Counsel of Micro shall be satisfactory counsel for purposes hereof) addressed to the Documentation Agent, the Administrative Agent and the Lenders addressing the matters set forth in Exhibit M, as it relates to such Additional Guarantor and Additional Guaranty.

SECTION 8.1.11. Intra-Group Agreement, etc. Except to add additional Subsidiaries of Micro as parties thereto, the terms of the Intra-Group Agreement shall not be amended or otherwise modified without the prior consent of the Administrative Agent on behalf of and as directed by the requisite Lenders, such consent not to be unreasonably withheld. In addition, no Person a party to the Intra-Group Agreement shall assign any of its rights or obligations thereunder without the prior consent of the Administrative Agent, such consent not to be unreasonably withheld.

SECTION 8.2. Negative Covenants. Each Borrower agrees with the Administrative Agent and each Lender that, until all the Commitments have terminated and all Obligations have been paid and performed in full, each Borrower will perform its respective obligations set forth in this Section 8.2.

SECTION 8.2.1. Restriction on Incurrence of Indebtedness.

(a) No Borrower will (and no Borrower will permit any of its Subsidiaries to) create, incur, assume or suffer to exist or otherwise become or be liable in respect of any Indebtedness, other than the following:

(i) Indebtedness in respect of the Credit Extensions;

(ii) Indebtedness existing as of the date hereof or incurred pursuant to commitments or lines of credit in effect on the date hereof (or any renewal or replacement thereof, so long as such renewals or replacements do not increase the amount of such Indebtedness or such commitments or lines of credit), in any case identified in Item 8.2.1(a)(ii) (Ongoing Indebtedness) of the Disclosure Schedule; and

(iii) additional Indebtedness if after giving effect to the incurrence thereof the Borrowers are in compliance with Section 8.2.3, calculated as of the date of the incurrence of such additional Indebtedness, on a pro forma basis.

(b) Micro will not at the end of any Fiscal Period permit the sum of (i) Total Indebtedness of Subsidiaries (other than any Guarantor) and (ii) the Amount of Additional Liens to exceed fifteen percent (15%) of Consolidated Tangible Net Worth.

SECTION 8.2.2 Restriction on Incurrence of Liens. No Borrower will (and no Borrower will permit any of its Subsidiaries to) create, incur, assume or suffer to exist any Lien upon any of its property, revenues or assets, whether now owned or hereafter acquired, except:

(a) Liens existing as of the date hereof and identified in Item 8.2.2(a) (Existing Liens) of the Disclosure Schedule and Liens resulting from the extension, renewal or replacement of any such Liens in respect of the same property theretofore subject to such Lien; provided, however, that (i) no property shall become subject to such extended, renewed or replacement Lien that was not subject to the Lien extended, renewed or replaced, (ii) the aggregate principal amount of Indebtedness secured by any such extended, renewed or replacement Lien shall not be increased by such extension, renewal or replacement, (iii) the Indebtedness secured by such Lien shall be incurred in compliance with the applicable terms hereof, including Section 8.2.3, and (iv) both immediately before and after giving effect thereto, no Default shall exist;

(b) Liens for taxes, assessments or other governmental charges or levies not at the time delinquent or thereafter payable without penalty or being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books;

(c) Liens of carriers, warehousemen, mechanics, materialmen and landlords incurred in the ordinary course of business for sums not overdue or being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books;

(d) Liens incurred in the ordinary course of business in connection with worker's compensation, unemployment insurance or other forms of governmental insurance or benefits, or to secure performance of statutory obligations, leases and contracts (other than for borrowed money) entered into in the ordinary course of business or to secure obligations on surety or appeal bonds;

(e) judgment Liens of less than $60,000,000 in the aggregate, or with respect to which execution has been stayed or the payment of which is covered in full (subject to a customary deductible) by insurance maintained with responsible insurance companies and for which, within 30 days of such judgment, the insurance carrier has acknowledged coverage in writing;

(f) Liens on property purchased or constructed after the date hereof securing Indebtedness used to purchase or construct such property; provided, however, that (i) no such Lien shall be created in or attach to any other asset at the time owned by Micro or any of its Subsidiaries if the aggregate principal amount of the Indebtedness secured by such property would exceed the fair market value of such property and assets, taken as a whole, (ii) the aggregate outstanding principal amount of Indebtedness secured by all such Liens shall not at any time exceed one hundred percent (100%) of the fair market value of such property at the time of the purchase or construction thereof, and

(iii) each such Lien shall have been incurred within two hundred seventy (270) days of the purchase or completion of construction of such property;

(g) Liens resulting from utility easements, building restrictions and such other encumbrances or charges against real property as are of a nature generally existing with respect to properties of a similar character and which do not in any material way affect the marketability of the same or interfere with the use thereof in the business of any Borrower or any of its Subsidiaries;

(h) Liens incurred in the normal course of business in connection with bankers' acceptance financing or used in the ordinary course of trade practices, statutory lessor and vendor privilege liens and liens in connection with ad valorem taxes not yet due, good faith bids, tenders and deposits;

(i) Liens on all goods held for sale on consignment;

(j) Liens granted by any Subsidiary of Micro in favor of Micro or in favor of another Subsidiary of Micro that is the parent of such Subsidiary granting the Lien, other than Liens granted by a Guarantor to a Subsidiary of Micro that is not a Guarantor; provided, however, that no Person that is not a Subsidiary of Micro shall be secured by or benefit from any such Lien;

(k) Liens of the nature referred to in clause (b) of the definition of the term "Lien" and granted to a purchaser or any assignee of such purchaser which has financed the relevant purchase of Trade Accounts Receivable of any Borrower or any of their respective subsidiaries;

(l) Liens on accounts receivable of Micro Canada with respect to any accounts receivable securitization program; and

(m) Additional Permitted Liens.

SECTION 8.2.3. Financial Condition. Micro will not permit any of the following:

(a) the Consolidated Current Ratio as at the end of any Fiscal Period to be less than 1.0 to 1.0; or

(b) the ratio of (i) Consolidated EBITDA for any period of four consecutive Fiscal Periods to (ii) Consolidated Interest Charges for such period to be less than 3.5 to 1.0; or

(c) the ratio of (i) the average daily balances of Consolidated Funded Debt during any Fiscal Period to (ii) Consolidated EBITDA for the period of four Fiscal Periods ending on the last day of such Fiscal Period to exceed 3.5 to 1.0; provided that, for purposes of calculating this ratio, Consolidated Funded Debt on any day shall be the amount otherwise determined pursuant to the definition thereof plus the amount of Consolidated Transferred Receivables on such day.

(d) the Consolidated Tangible Net Worth as at the end of any Fiscal Period to be less than the sum of (i) the greater of (A) $500,000,000 and (B) an amount equal to 90% of Consolidated Tangible Net Worth as at the end of the Fiscal Year ending nearest to December 31, 1996, plus (ii) as at the end of each Fiscal Year commencing with the Fiscal Year ending closest to December 31, 1997, 67% of Consolidated Net Income (without taking into account any losses incurred in any Fiscal Year) since the beginning of the Fiscal Year which began closest to December 31, 1996.

SECTION 8.2.4. Dividends. Except for dividends paid, or redemptions made, in any Fiscal Year that do not exceed fifty percent (50%) of Consolidated Net Income for the immediately preceding Fiscal Year, Micro will not declare or pay any dividends (in cash, property or obligations) or any other payments or distributions on account of, or set apart money for a sinking or analogous fund for, or purchase, redeem, retire or otherwise acquire for value, any shares of its capital stock now or hereafter outstanding or any warrants, options or other rights to acquire the same; return any capital to its stockholders as such; or make any distribution of assets to its stockholders as such; provided, however, that Micro may redeem, purchase or acquire any of its capital stock (i) issued to employees pursuant to any Plan or other contract or arrangement relating to employment upon the termination of employment or other events or (ii) in a transaction contemplated by the Transition Agreements.

SECTION 8.2.5. Consolidation, Merger, Asset Acquisitions, etc.

(a) No Borrower will liquidate or dissolve, consolidate with, or merge into or with, or exchange shares with, any other Person, or sell, transfer, lease or otherwise dispose of all or substantially all of its assets to any Person, except, if no Default has occurred and is continuing or would occur after giving effect thereto:

(i) any Obligor (except Micro) may liquidate or dissolve voluntarily into any other Obligor and may merge into or with or exchange shares with any other Person or sell, transfer, lease or otherwise dispose of all or substantially all of its assets to any other Person, so long as the surviving entity or such transferee of such assets shall continue to be an Obligor;

(ii) Micro may merge into or with any other Person; provided, that: (A) either (1) Micro is the surviving entity or

(2) the surviving entity formed by such consolidation or into which Micro shall be merged (which entity shall be a Person organized, existing and in good standing under the laws of a State of the United States) shall expressly assume Micro's Obligations in a written agreement or undertaking satisfactory in form and substance to Lenders holding, in the aggregate, 85% of the Commitments and (B) Micro can demonstrate (in a manner and in such scope and detail as are acceptable to either (1) if such merger satisfies the requirements of subclause (1) of clause (A) above, the Required Lenders, or (2) if such merger satisfies the requirements of subclause (2) of clause (A) above, Lenders holding, in the aggregate, 85% of the Commitments) that the surviving entity (x) will be, immediately upon and following the consummation of such proposed transaction, in compliance with each of the covenants set forth in Sections 8.2.1 and 8.2.2 and (y) on a pro forma basis, assuming such proposed transaction had been consummated on the first day of the most recently ended period of four Fiscal Periods for which financial statements have been or are required to have been delivered pursuant to Section 8.1.1, would have been in compliance with each of the covenants set forth in Section 8.2.3 as of the last day of such period; and

(iii) Micro may exchange shares with any Person; provided, that (A) either (1) Micro is the surviving entity of the transaction in which such shares were exchanged, or (2) if Micro shall not continue to exist following such transaction, the surviving entity of such transaction (which entity shall be a Person organized, existing and in good standing under the laws of a State of the United States) shall expressly assume Micro's Obligations in a written agreement or undertaking satisfactory in form and substance to Lenders holding, in the aggregate, 85% of the Commitments or (B) the entity resulting from such transaction or the entity with whose shareholders Micro's shares were exchanged in such transaction shall, following such transaction, be a Subsidiary of Micro or shall be a Person in which Micro shall, as a result of such transaction, have acquired a direct or indirect interest permitted to be held by Micro hereunder.

(b) No Borrower will purchase or otherwise acquire (in one transaction or a series of related transactions) from any other Person property or assets the aggregate purchase price of which (calculated in Dollars) paid in cash or property (other than property consisting of equity shares or interests or other equivalents of corporate stock of, or partnership or other ownership interests in, any Obligor), equals or exceeds twenty-five percent (25%) of the sum (calculated without giving effect to such purchase or acquisition) of (i) Consolidated Funded Debt determined as at the end of the then most recently ended Fiscal Period plus (ii) Consolidated Stockholders' Equity determined as at the end of the then most recently ended Fiscal Period, plus any increase thereof attributable to any equity offerings or issuances of capital stock occurring subsequent to the end of such Fiscal Period and prior to any such purchase or acquisition (any such purchase or acquisition, a "Material Asset Acquisition"), except, if no Default has occurred and is continuing or would occur after giving effect thereto, Micro may make a Material Asset Acquisition; provided that, prior to the consummation of any proposed Material Asset Acquisition, Micro shall (x) notify the Administrative Agent that it intends to make such proposed Material Asset Acquisition and that it reasonably believes that it will be able to certify as required by clause (y) below and (y) deliver to the Administrative Agent a certificate duly executed and delivered by an Authorized Person of Micro, certifying that (1) immediately upon and following the consummation of such proposed Material Asset Acquisition, Micro will be in compliance with each of the covenants set forth in Sections 8.2.1 and 8.2.2 and (2) on a pro forma basis, assuming such proposed Material Asset Acquisition had been consummated on the first day of the most recently ended period of four Fiscal Periods for which financial statements have been or are required to have been delivered pursuant to Section 8.1.1, Micro would have been in compliance with each of the covenants set forth in Section 8.2.3 as of the last day of such period; provided further, that no purchase or acquisition of property or assets of the character described in and permitted pursuant to clause (c) of Section 8.2.9 shall constitute a Material Asset Acquisition.

SECTION 8.2.6. Transactions with Affiliates. No Borrower will (and no Borrower will permit any of its Subsidiaries to), except in the ordinary course of business, directly or indirectly, pay any funds to or for the account of, make any investment (whether by acquisition of stock or indebtedness, by loan, advance, transfer of property, guarantee or other agreement to pay, purchase or service, directly or indirectly, any Indebtedness, or otherwise) in, lease, sell, transfer or otherwise dispose of any assets, tangible or intangible, to, or participate in, or effect, any transaction with, any Affiliate (any such payment, investment, lease, sale, transfer, other disposition or transaction, an "Affiliate Transaction") except on an arms-length basis on terms at least as favorable to such Borrower (or such Subsidiary) as terms that could have been obtained from a third party who was not an Affiliate; provided that the foregoing provisions of this Section shall not prohibit (i) agreements with or for the benefit of employees of such Borrower or any of its Subsidiaries regarding bridge home loans and other loans necessitated by the relocation of such Borrower's or such Subsidiary's business or employees, or regarding short-term hardship advances, (ii) loans to officers or employees of such Borrower or any of its Subsidiaries in connection with the exercise of rights under such Borrower's stock option or stock purchase plan, (iii) any such Person from declaring or paying any lawful dividend or other payment ratably in respect of all of its capital stock of the relevant class so long as, in the case of Micro, after giving effect thereto, no Default shall have occurred and be continuing, (iv) any Affiliate Transaction pursuant to a Transition Agreement or disclosed in the Investment

Prospectus, (v) any Affiliate Transaction between Micro and any of its Subsidiaries or between any Subsidiaries of Micro or (vi) any Affiliate Transaction (other than any Affiliate Transaction described in clauses (i) through (v)) in which the amount involved does not exceed $50,000; provided, further, however, the Borrowers shall not, nor shall they permit any of their respective Subsidiaries to, participate in or effect any Affiliate Transactions otherwise permitted pursuant to this Section which either individually or in the aggregate may involve obligations that are reasonably likely to have a Material Adverse Effect. The approval by the independent directors of the Board of Directors of the relevant Borrower (or the relevant Subsidiary thereof) of any Affiliate Transaction to which such or such Borrower (or the relevant Subsidiary thereof) is a party shall create a rebuttable presumption that such Affiliate Transaction is on an arms-length basis on terms at least as favorable to such Borrower (or the relevant Subsidiary thereof) as terms that could have been obtained from a third party who was not an Affiliate.

SECTION 8.2.7. Limitations on Margin Stock Acquisitions. Without first providing the notice to the Administrative Agent and the Lenders required by this Section 8.2.7, the Borrowers shall not (and shall not permit their respective Subsidiaries to) acquire any outstanding stock of any U.S. or non-U.S. corporation, limited company or similar entity of which the shares constitute Margin Stock if after giving effect to such acquisition, Micro and its Affiliates shall hold, in the aggregate, more than five percent (5%) of the total outstanding stock of the issuer of such Margin Stock (the "Relevant Issuer"). Such notice shall include the name and jurisdiction of organization of the Relevant Issuer, the market on which such stock is traded, the total percentage of the Relevant Issuer's stock currently held, and the purpose for which the acquisition is being made. If any Lender Party notifies Micro, within five Business Days of its receipt of any notice described in this Section 8.2.7, that it elects not to fund any further Credit Extension for the reason that such Lender Party has a substantial relationship with the Relevant Issuer or any of its Subsidiaries or Affiliates, where, in each case, such Credit Extension would be used to acquire or carry Margin Stock of the Relevant Issuer, then, and notwithstanding anything to the contrary contained in this Agreement, and subject to the consent of Micro (which consent shall not be unreasonably withheld), such Lender Party shall have no further obligation with respect to any Credit Extension requested after the date of such notice from such Lender Party, the proceeds of which would be used directly or indirectly for the purchase or carrying of such Margin Stock (it being understood and agreed, however, that in no event shall any Lender be required to fund more than its Percentage of any proposed Borrowing). The acceptance by each Borrower of the proceeds of any Credit Extension shall constitute a representation and warranty by each Borrower that no part of any such Credit Extension will be used directly or indirectly to make any further acquisition of the stock of any Relevant Issuer.

SECTION 8.2.8. Limitation on Sale of Trade Accounts Receivable. Notwithstanding anything to the contrary in this Agreement, no Borrower will (and no Borrower will permit any of its Subsidiaries to) sell, assign, grant a Lien in, or otherwise transfer any interest in its Trade Accounts Receivable to any Person if, after giving effect thereto, the ratio (expressed as a percentage) of (i) Consolidated Transferred Receivables, to (ii) the sum of Consolidated Retained Receivables plus Consolidated Transferred Receivables shall exceed 40%.

SECTION 8.2.9. Sale of Assets. No Obligor will (and no Obligor will permit any of its Subsidiaries to) Dispose of any property or assets other than in the ordinary course of business, except that:

(a) Micro or any Subsidiary of Micro may Dispose of any of its assets so long as the proceeds thereof are either (i) utilized to repay or prepay (in accordance with the provisions of ARTICLE IV hereof) Pro-Rata Revolving Loans (provided, that in the event the amount of such proceeds shall exceed the aggregate principal amount of all Pro-Rata Revolving Loans outstanding hereunder at such time, such excess proceeds may be utilized to repay or prepay (in accordance with the provisions hereof) other loans outstanding at such time) or (ii) so long as no Default has occurred and is continuing or would occur after giving effect thereto, reinvested in one or more of the businesses in which Micro or any of its Subsidiaries is principally engaged in accordance with Section 8.2.10 hereof;

(b) Micro or any Subsidiary of Micro may Dispose of assets which are worn out, obsolete or surplus or otherwise have no further useful life to Micro or any of its Subsidiaries; and

(c) so long as no Default has occurred and is continuing or would occur after giving effect thereto, Micro and any Subsidiary of Micro may Dispose of assets in transactions exclusively among Micro and any of its Subsidiaries or among Subsidiaries of Micro that satisfy the requirements of Section 8.2.6; provided, that, notwithstanding any provision hereof to the contrary, in the event that, immediately after giving effect to any Disposition described in this clause (c) to a Subsidiary of Micro, such Subsidiary shall own assets constituting at least ten percent (10%) of Consolidated Assets determined as of the last day of the most recently completed Fiscal Period, such Subsidiary of Micro shall be deemed a Material Subsidiary for all purposes hereunder as of the date of such Disposition and Micro shall cause any such Material Subsidiary promptly to execute and deliver an Additional Guaranty in favor of the Lender Parties in accordance with Section 8.1.10; provided further, that, notwithstanding the foregoing, so long as no Event of Default has occurred and is continuing or would occur after giving effect thereto, (i) any Subsidiary of Micro which is not at the time of such Disposition an Obligor may Dispose of assets in transactions exclusively with (A) Micro, (B) any Subsidiary of Micro which, at the time of such Disposition, is an Obligor and (C) any other

Subsidiary of Micro which is not at the time of such Disposition an Obligor, unless, immediately after giving effect to such Disposition, such other Subsidiary of Micro would become a Material Subsidiary and such other Subsidiary does not, promptly after such Disposition, execute an Additional Guaranty in accordance with Section 8.1.10 and (ii) Micro or any Subsidiary of Micro which is at the time of such Disposition also an Obligor may Dispose of assets in transactions exclusively with (A) Micro and (B) any other Subsidiary of Micro which, at the time of such Disposition, is also an Obligor.

For purposes of this Section 8.2.9 "Dispose" means sell, lease, transfer or otherwise dispose of property but shall not include any public taking or condemnation, and "Disposition" and "Disposed of" have corresponding meanings to Dispose. Such terms shall not include an exchange of assets, provided that the assets involved in such exchange are similar in function in that after giving effect to such exchange there has not been (i) a Material Adverse Effect, (ii) any material deterioration of cash flow generation from or in connection with such assets, or (iii) any material deterioration in the overall quality of plant, property and equipment of any Obligor. An "exchange" shall be deemed to have occurred for purposes hereof if each of the transactions involved shall have been consummated within a six month period.

SECTION 8.2.10. Limitation on Businesses. Micro and its Subsidiaries, considered as a whole, will not engage principally in businesses other than those conducted by Micro and its Subsidiaries on the date hereof, as described in the Preamble of this Agreement.

ARTICLE IX

EVENTS OF DEFAULT

SECTION 9.1. Listing of Events of Default. Any of the following events or occurrences described in this Section 9.1 shall constitute an "Event of Default".

SECTION 9.1.1. Non-Payment of Obligations. A default shall occur in the payment or prepayment when due (a) by any Borrower of any principal of any Loan, (b) by any Borrower of any interest on any Loan, (c) by any Borrower of any Reimbursement Obligation or any deposit of cash for collateral purposes pursuant to Section 3.2.2 or 3.2.4 or (d) by any Guarantor of any Guaranteed Obligation (as defined in such Guarantor's Guaranty), and in the case of clause (b), (c) or (d), such default shall continue unremedied for a period of five Business Days.

SECTION 9.1.2. Breach of Warranty. Any representation or warranty of any Obligor made or deemed to be made hereunder or in any other Loan Document executed by it or in any other writing or certificate furnished by or on behalf of any Obligor to the Administrative Agent or any Lender for the purposes of or in connection with this Agreement or any such other Loan Document (including any certificates delivered pursuant to ARTICLE VI) is or shall be incorrect when made in any material respect.

SECTION 9.1.3. Non-Performance of Certain Covenants and Obligations. Any Obligor shall default in the due performance and observance of any of its obligations under Section 8.2.2, 8.2.3, 8.2.4 or 8.2.5 (excluding any default by Micro in the performance of its obligation to deliver, prior to the consummation of any Material Asset Acquisition, the certificate required to be so delivered in connection therewith pursuant to clause (y) of paragraph (b) of Section 8.2.5).

SECTION 9.1.4. Non-Performance of Other Covenants and Obligations. Any Obligor shall default in the payment when due of any fee or any other Obligation not subject to Section 9.1.1, or the due performance and observance of any other covenant, agreement or obligation contained herein or in any other Loan Document, and such default shall continue unremedied for a period of 30 days after Micro obtains actual knowledge thereof or notice thereof shall have been given to Micro by the Administrative Agent or any Lender.

SECTION 9.1.5. Default on Indebtedness. A default shall occur in the payment when due (subject to any applicable grace period), whether by acceleration or otherwise, of any Indebtedness of any Obligor or any of its Subsidiaries (other than Indebtedness described in Section 9.1.1 or Indebtedness which is non-recourse to any Obligor, or any Subsidiary of any Obligor) having an outstanding aggregate principal amount in excess of the lesser of (a) (i) 5% of Consolidated Tangible Net Worth for the then most recently ended Fiscal Period, individually, or (ii) 10% of Consolidated Tangible Net Worth for the then most recently ended Fiscal Period, in the aggregate and (b) $75,000,000 (or the equivalent thereof in any other currency), or a default shall occur in the performance or observance of any obligation or condition with respect to such Indebtedness if the effect of such default is to cause, or (with the giving of any notice or lapse of time or both) to permit the holder or holders of such Indebtedness, or any trustee or agent for such holders to cause, the maturity of any such Indebtedness to be accelerated or such Indebtedness to be prepaid, redeemed, purchased, defeased or otherwise to become due and payable prior to its expressed maturity.

SECTION 9.1.6. Judgments. Any judgment or order for the payment of money in excess of (individually or in the aggregate) $60,000,000 (or the equivalent thereof in any other currency), shall be rendered against any Obligor or any of their respective Subsidiaries and either:

(a) enforcement proceedings shall have been commenced and be continuing by any creditor upon such judgment or order for any period of 10 consecutive days; or

(b) there shall be any period during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect.

SECTION 9.1.7. Pension Plans. Any of the following events shall occur with respect to any Pension Plan:

(a) the institution of any steps by any Obligor, any member of its Controlled Group or any other Person to terminate a Pension Plan if, as a result of such termination, any such Obligor or any such member could be required to make a contribution in excess of $60,000,000 (or the equivalent thereof in any other currency), to such Pension Plan, or could reasonably expect to incur a liability or obligation in excess of $60,000,000 (or the equivalent thereof in any other currency), to such Pension Plan; or

(b) a contribution failure occurs with respect to any Pension Plan sufficient to give rise to a Lien under section 302(f) of ERISA.

SECTION 9.1.8. Ownership; Board of Directors. Any Person or two or more Persons (excluding the Family Stockholders (as defined in the Board Representation Agreement)) acting in concert shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (or any successor regulation)) of capital stock of Micro having more than 25% of the ordinary voting power of all capital stock of Micro then outstanding; and at any time during any period of 25 consecutive calendar months commencing on or after the date of this Agreement, a majority of the Board of Directors of Micro shall no longer be composed of individuals (i) who were members of such Board of Directors on the first day of such period, (ii) whose election or nomination to such Board of Directors was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of such Board of Directors or (iii) whose election or nomination to such Board of Directors 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 such Board of Directors.

SECTION 9.1.9. Bankruptcy, Insolvency, etc. Any Obligor or any Material Subsidiary shall:

(a) become insolvent or generally fail to pay, or admit in writing its inability to pay, debts as they become due;

(b) apply for, consent to, or acquiesce in, the appointment of a trustee, receiver, administrative receiver, sequestrator, liquidator or other custodian for it, its property, or make a general assignment for the benefit of creditors;

(c) in the absence of such application, consent or acquiescence, permit or suffer to exist the appointment of a trustee, administrative receiver, receiver, sequestrator, liquidator or other custodian for it or for a substantial part of its property, and such trustee, receiver, sequestrator, liquidator or other custodian shall not be discharged within 60 days, provided that each Obligor and each Material Subsidiary hereby expressly authorizes each Lender Party to appear in any court conducting any relevant proceedings during such 60-day period to preserve, protect and defend its rights under this Agreement and the other Loan Documents;

(d) permit or suffer to exist the commencement of any bankruptcy, reorganization, debt arrangement or other case or proceeding under any bankruptcy or insolvency law, or any dissolution, winding up or liquidation proceeding, in respect of any Obligor or any Subsidiary thereof, as the case may be, and, if any such case or proceeding is not commenced by such Person, such case or proceeding shall be consented to or acquiesced in by such Obligor or Material Subsidiary, as the case may be, or shall result in the entry of an order for relief or shall remain for 60 days unstayed or undismissed, provided that each Obligor and each Material Subsidiary hereby expressly authorizes each Lender Party to appear in any court conducting any such case or proceeding during such 60-day period to preserve, protect and defend its rights under this Agreement and the other Loan Documents; or

(e) take any action authorizing, or in furtherance of, any of the foregoing.

SECTION 9.1.10. Guaranties. Any of the Guaranties or any provisions thereof shall be found or held invalid or unenforceable by a court of competent jurisdiction or shall have ceased to be effective because of the merger, dissolution or liquidation of a Guarantor (other than as may result from a transaction permitted pursuant to Section 8.2.5 hereof or by reason of a merger of a Guarantor under one Guaranty into the Guarantor under another Guaranty) or any Guarantor shall have repudiated its obligations under a Guaranty.

SECTION 9.2. Action if Bankruptcy. If any Event of Default described in Section 9.1.9 shall occur, the Commitments (if not theretofore terminated) shall automatically terminate and the outstanding principal amount of all outstanding Loans and all other Obligations shall automatically be and become immediately due and payable, without notice or demand.

SECTION 9.3. Action if Other Event of Default. If any Event of Default (other than any Event of Default described in Section 9.1.9) shall occur for any reason, whether voluntary or involuntary, and be continuing, the Administrative Agent, upon the direction of the Required Lenders, shall by notice to Micro declare all or any portion of the outstanding principal amount

of the Loans and all other Obligations to be due and payable and/or the Commitments to be terminated, whereupon the full unpaid amount of the Loans and all other Obligations which shall be so declared due and payable shall be and become immediately due and payable, without further notice, demand or presentment, and/or, as the case may be, the Commitments shall terminate.

SECTION 9.4. Action by Terminating Lender. If an Event of Default shall occur because the Borrowers have failed to pay in full a Terminating Lender, for any reason, voluntary or involuntary, the Terminating Lender may by notice to Micro declare all or any portion of the outstanding principal amount of the Loans made by such Terminating Lender and all other Obligations owed to such Terminating Lender to be due and payable and/or its commitment to be terminated, whereupon the full unpaid amount of such Loans and all such other Obligations which shall be so declared due and payable shall be and become immediately due and payable, without further notice, demand or presentment, and/or, as the case may be, its Commitment shall terminate.

SECTION 9.5. Cash Collateral. If any Event of Default shall occur for any reason, whether voluntary or involuntary, and shall not have been cured or waived and shall be continuing and the Obligations are or have been declared due and payable under Section 9.2 or 9.3, the Administrative Agent may apply any cash collateral held by the Administrative Agent pursuant to Section 3.2.4 to the payment of the Obligations in any order in which the Majority Lenders may elect.

ARTICLE X

THE ADMINISTRATIVE AGENT AND DOCUMENTATION AGENT

SECTION 10.1. Authorization and Actions. Each Lender hereby appoints NationsBank as the Administrative Agent and Scotiabank as the Documentation Agent under, and for the purposes set forth in, this Agreement and each other Loan Document. Each Lender authorizes each Agent to act on behalf of such Lender under this Agreement and each other Loan Document and, in the absence of other written instructions from the Required Lenders received from time to time by the Agents (with respect to which each Agent agrees that it will comply, except as otherwise provided in this Section 10.1 or as otherwise advised by counsel), to exercise such powers hereunder and thereunder as are specifically delegated to or required of the Agents by the terms hereof and thereof, together with such powers as may be reasonably incidental thereto. Each Lender hereby indemnifies (which indemnity shall survive any termination of this Agreement) each Agent from and against such Lender's Percentage of any and all liabilities, obligations, losses, damages, claims, costs or expenses of any kind or nature whatsoever which may at any time be imposed on, incurred by, or asserted against, each such Agent in any way relating to or arising out of this Agreement or any other Loan Document (including any such liability, etc. incurred as a result of each Agent's reliance on any information contained in any Quarterly Report or update with respect thereto), including reasonable attorneys' fees, and as to which either Agent is not reimbursed by Micro or the other Obligors; provided, however, that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, claims, costs or expenses which are determined by a court of competent jurisdiction in a final proceeding to have resulted solely from either Agent's gross negligence or willful misconduct. No Agent shall be required to take any action hereunder or under any other Loan Document, or to prosecute or defend any suit in respect of this Agreement or any other Loan Document, unless it is indemnified hereunder to its satisfaction. If any indemnity in favor of either Agent shall be or become, in either Agent's determination, inadequate, such Agent may call for additional indemnification from the Lenders and cease to do the acts indemnified against hereunder until such additional indemnity is given.

SECTION 10.2. Funding Reliance, etc. Unless the Administrative Agent shall have been notified by telephone, confirmed in writing, by any Lender by 5:00 p.m., Eastern time, on the day prior to the making of a Pro-Rata Revolving Loan that such Lender will not make available the amount which would constitute its Percentage of such requested Pro-Rata Revolving Loan on the date specified therefor, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent and, in reliance upon such assumption, make available to Micro a corresponding amount. If and to the extent that such Lender shall not have made such amount available to the Administrative Agent, such Lender and Micro severally agree to repay the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date the Administrative Agent made such amount available to Micro to the date such amount is repaid to the Administrative Agent at an interest rate equal to the Federal Funds Rate for the first day that the Administrative Agent made such amounts available and thereafter at a rate of interest equal to the interest rate applicable at the time to the requested Pro-Rata Revolving Loan.

SECTION 10.3. Exculpation. Neither Agent nor any of their respective directors, officers, employees or agents shall be liable to any Lender for any action taken or omitted to be taken by it under this Agreement or any other Loan Document, or in connection herewith or therewith, except for its own willful misconduct or gross negligence, nor be responsible for any recitals or warranties herein or therein, nor for the effectiveness, enforceability, validity or due execution of this Agreement or any other Loan Document, nor to make any inquiry respecting the performance by any Obligor of its obligations hereunder or under any other Loan Document. Any such inquiry which may be made by either Agent shall not obligate it to make any further inquiry or to take any action. Each Agent shall be entitled to rely upon advice of counsel concerning legal matters and upon any notice, consent, certificate, statement

or writing which each such Agent believes to be genuine and to have been presented by a proper Person.

SECTION 10.4. Successor. Either Agent may resign as such at any time upon at least 30 days' prior notice to Micro and all the Lenders. If either Agent shall at any time resign, the Required Lenders, after consultations with Micro, may appoint another Lender as a successor Administrative Agent or Documentation Agent, as the case may be, whereupon such Lender shall become an Administrative Agent or Documentation Agent hereunder, as the case may be. If no successor Administrative Agent or Documentation Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's or Documentation Agent's giving notice of resignation, then the retiring Administrative Agent or Documentation Agent may, on behalf of the Lenders, after consultations with Micro, appoint a successor Administrative Agent or Documentation Agent, as the case may be, which shall be one of the Lenders or a commercial banking institution organized under the laws of the United States (or any State thereof) or a U.S. branch or agency of a commercial banking institution, and having a combined capital and surplus of at least $500,000,000. Upon the acceptance of any appointment as Administrative Agent or Documentation Agent hereunder, as the case may be, by a successor Administrative Agent or Documentation Agent, as the case may be, such successor Administrative Agent or Documentation Agent shall be entitled to receive from the retiring Administrative Agent or Documentation Agent such documents of transfer and assignment as such successor Administrative Agent or Documentation Agent may reasonably request, and shall thereupon succeed to and become vested with all rights, powers, privileges and duties of the retiring Administrative Agent or Documentation Agent, as the case may be, and the retiring Administrative Agent or Documentation Agent shall be discharged from its duties and obligations under this Agreement. No resignation or removal of either the Administrative Agent or Documentation Agent pursuant to this Section 10.4 shall be effective until the appointment of a successor Administrative Agent or Documentation Agent, as the case may be, has become effective. After any retiring Administrative Agent's or Documentation Agent's resignation hereunder as an Administrative Agent or Documentation Agent, as the case may be, the provisions of:

(a) this ARTICLE X shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Administrative Agent or Documentation Agent under this Agreement; and

(b) Sections 11.3 and 11.4 shall continue to inure to its benefit.

SECTION 10.5. Credit Extensions by NationsBank and Scotiabank. NationsBank and Scotiabank shall each have the same rights and powers with respect to the Credit Extensions made by it or any of its Affiliates in its capacity as a Lender and may exercise the same as if it were not an Agent hereunder. Each of NationsBank, Scotiabank and their respective Affiliates may accept deposits from, lend money to, and generally engage in any kind of business with any Obligor or any Subsidiary of any thereof as if it were not an Agent hereunder.

SECTION 10.6. Credit Decisions. Each Lender acknowledges that it has, independently of the Agents and each other Lender, and based on such Lender's review of the financial information of each Obligor, this Agreement, the other Loan Documents (the terms and provisions of which being satisfactory to such Lender) and such other documents, information and investigations as such Lender has deemed appropriate, made its own credit decision to make available its Commitment and to make available any Non-Rata Credit Extensions. Each Lender also acknowledges that it will, independently of the Agents and each other Lender, and based on such other documents, information and investigations as it shall deem appropriate at any time, continue to make its own credit decisions as to exercising or not exercising from time to time any rights and privileges available to it under this Agreement or any other Loan Document.

SECTION 10.7. Copies, etc. The Administrative Agent shall give prompt notice to each Lender of each notice or request required or permitted to be given to the Administrative Agent by any Obligor pursuant to the terms of this Agreement or any other Loan Document (unless concurrently delivered to the Lenders by such Obligor). The Administrative Agent will distribute to each Lender each document or instrument received for its account, and copies of all other communications received by the Administrative Agent from any Obligor, for distribution to the Lenders by the Administrative Agent in accordance with the terms of this Agreement or any other Loan Document.

SECTION 10.8. Reporting of Non-Rata Credit Extensions. Each Borrower agrees to provide the Administrative Agent with written notice of each Non-Rata Credit Extension concurrently with or promptly after the making of such Non-Rata Credit Extension, which notice shall set forth, among other things: (a) the date thereof; (b) the principal amount thereof stated in the relevant Available Currency (and, with respect to all Available Currencies other than the Dollar, the corresponding Dollar Amount thereof); (c) the Interest Period applicable thereto; (d) the aggregate Dollar Amount of such Lender's outstanding or undrawn Non-Rata Credit Extensions as of such date; and (e) the identity of the relevant Lender. Each Lender agrees to provide the Administrative Agent with written confirmation within five calendar days following the last day of each calendar month (from the date hereof until the Commitment Termination Date) of the Outstanding Credit Extensions comprised of Non-Rata Credit Extensions made by such Lender as of the end of such calendar month, which confirmation shall set forth, among other things: (a) the date of each such Non-Rata Credit Extension; (b) the principal amount or Stated Amount, as the case may be, of each such Non-Rata Credit Extension stated in the relevant Available Currency (and the corresponding Dollar Amount thereof), and the aggregate

Dollar Amount of all such Non-Rata Credit Extensions; (c) the respective Interest Periods applicable thereto; and (d) the Identity of such Lender.

ARTICLE XI

MISCELLANEOUS PROVISIONS

SECTION 11.1. Waivers, Amendments, etc. The provisions of this Agreement and of each other Loan Document may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to by each Borrower and the Required Lenders; provided, however, that no such amendment, modification or waiver which would:

(a) modify any requirement hereunder that any particular action be taken by all the Lenders or by the Required Lenders shall be effective unless consented to by each Lender;

(b) modify this Section 11.1, change the definitions of Percentage or Required Lenders, increase the Total Credit Commitment Amount or the Credit Commitment Amount or Percentage of any Lender, extend the Commitment Termination Date, or, subject to Section 8.2.5, release any Guarantor from any of its payment obligations under the Guaranty entered into by it, shall be made without the consent of each Lender;

(c) extend the due date for, or reduce the amount of, any scheduled repayment or prepayment of principal of or interest on any Pro-Rata Credit Extension or the amount of any fee payable under Section 4.3 shall be made without the consent of each Lender;

(d) affect adversely the interests, rights or obligations of the Administrative Agent in its capacity as Administrative Agent shall be made without the consent of the Administrative Agent; or

(e) affect adversely the interests, rights or obligations of the Documentation Agent in its capacity as the Documentation Agent shall be made without the consent of the Documentation Agent.

No failure or delay on the part of any Lender Party in exercising any power or right under this Agreement or any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude any other or further exercise thereof or the exercise of any other power or right. No notice to or demand on any Obligor in any case shall entitle it to any notice or demand in similar or other circumstances. No waiver or approval by any Lender Party under this Agreement or any other Loan Document shall, except as may be otherwise stated in such waiver or approval, be applicable to subsequent transactions. No waiver or approval hereunder shall require any similar or dissimilar waiver or approval thereafter to be granted hereunder.

SECTION 11.2. Notices. Unless otherwise specified to the contrary, all notices and other communications provided to any party hereto under this Agreement or any other Loan Document shall be in writing or by facsimile and addressed, delivered or transmitted to such party at its address or facsimile number set forth below its signature hereto or at such other address or facsimile number as may be designated by such party in a notice to the other parties. All notices, if mailed and properly addressed with postage prepaid or if properly addressed and sent by prepaid courier service, shall be deemed given when received; all notices if transmitted by facsimile shall be deemed given when transmitted and the appropriate receipt for transmission received by the sender thereof.

SECTION 11.3. Payment of Costs and Expenses. Micro agrees to pay on demand all reasonable expenses (inclusive of value added tax or any other similar tax imposed thereon) of the Agents (including the reasonable fees and out-of-pocket expenses of the single counsel to the Agents and of local counsel, if any, who may be retained by such counsel to the Agents) in connection with the negotiation, preparation, execution and delivery of this Agreement and of each other Loan Document (including schedules, exhibits, and forms of any document or instrument relevant to this Agreement or any other Loan Document), and any amendments, waivers, consents, supplements or other modifications to this Agreement or any other Loan Document as may from time to time hereafter be required, whether or not the transactions contemplated hereby are consummated.

Micro further agrees to pay, and to save the Lender Parties harmless from all liability for, any stamp or other taxes (including, without limitation, any registration duty imposed by Belgian law) which may be payable in connection with the execution, delivery or enforcement of this Agreement or any other Loan Document, and in connection with the making of any Credit Extensions and the issuing of any Letters of Credit hereunder. Micro also agrees to reimburse each Lender Party upon demand for all out-of-pocket expenses (inclusive of value added tax or any other similar tax imposed thereon and including attorneys' fees and legal expenses (including the actual cost to such Lender Party of its in-house counsel) on a full indemnity basis) incurred by each such Lender Party in connection with (x) the negotiation of any restructuring or "work-out", whether or not consummated, of any Obligations and (y) the enforcement of any Obligations; provided, however, that Micro shall reimburse each Lender Party for the fees and legal expenses of only one counsel for such Lender Party.

SECTION 11.4. Indemnification. In consideration of the execution and delivery of this Agreement by each Lender Party and the extension of the Commitments, the Obligors hereby jointly and severally indemnify, exonerate and hold each Lender Party and each of their respective officers, directors,

employees and agents (collectively, the "Indemnified Parties") free and harmless from and against any and all actions, causes of action, suits, losses, costs, liabilities and damages, and expenses incurred in connection therewith (irrespective of whether any such Indemnified Party is a party to the action for which indemnification hereunder is sought), including reasonable attorneys' fees and disbursements, which shall include the actual cost to such Indemnified Party of its in-house counsel but shall not include the fees and expenses of more than one counsel to such Indemnified Party (collectively, the "Indemnified Liabilities"), incurred by the Indemnified Parties or any of them as a result of, or arising out of, or relating to:

(a) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of any Credit Extension;

(b) the entering into and performance of this Agreement and any other Loan Document by any of the Indemnified Parties (excluding, however, any action successfully brought by or on behalf of Micro or any other Borrower with respect to any determination by any Lender not to fund any Credit Extension or not to comply with Section 11.15 of this Agreement or any action by the Required Lenders to terminate or reduce the Commitments or accelerate the Loans in violation of the terms of this Agreement);

(c) any investigation, litigation or proceeding related to any acquisition or proposed acquisition by any Obligor, or any of their respective Subsidiaries of all or any portion of the stock or assets of any Person, whether or not any Indemnified Party is party thereto;

(d) any investigation, litigation or proceeding related to any environmental cleanup, audit, compliance or other matter relating to the protection of the environment or the Release by any Obligor, or any of their respective Subsidiaries of any Hazardous Material; or

(e) the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or releases from, any real property owned or operated by any Obligor, or any of their respective Subsidiaries of any Hazardous Material (including any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Law), regardless of whether caused by, or within the control of such Person;

except for any such Indemnified Liabilities arising for the account of a particular Indemnified Party by reason of the relevant Indemnified Party's gross negligence or willful misconduct. If and to the extent that the foregoing undertaking may be unenforceable for any reason, the Obligors hereby jointly and severally agree to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law.

SECTION 11.5. Survival. The obligations of Micro and each other Obligor under Sections 5.3, 5.4, 5.5, 5.7, 11.3 and 11.4, and the obligations of the Lenders under Sections 10.1 and 11.15, shall in each case survive any termination of this Agreement, the payment in full of all Obligations and the termination of the Commitments. The representations and warranties made by Micro and each other Obligor in this Agreement and in each other Loan Document shall survive the execution and delivery of this Agreement and each such other Loan Document.

SECTION 11.6. Severability. Any provision of this Agreement or any other Loan Document which is prohibited or unenforceable in any jurisdiction shall, as to such provision and such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or such Loan Document or affecting the validity or enforceability of such provision in any other jurisdictions.

SECTION 11.7. Headings. The various headings of this Agreement and of each other Loan Document are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or such other Loan Document or any provisions hereof or thereof.

SECTION 11.8. Execution in Counterparts, Effectiveness; Entire Agreement. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. This Agreement shall become effective on the date when (a) counterparts hereof executed on behalf of Micro, each Supplemental Borrower, the Agents and each Lender (or notice thereof satisfactory to the Administrative Agent) shall have been received by the Administrative Agent and notice thereof shall have been given by the Administrative Agent to each Borrower and each Lender and (b) the Administrative Agent shall have received evidence reasonably satisfactory to it that the mergers described in clause (ii) of Section 6.1.12 have been consummated; provided, however, that no Lender shall have any obligation to make the initial Credit Extension until the date (the "Effective Date") that the applicable conditions set forth in Sections 6.1 and 6.2 have been satisfied as provided herein. This Agreement and the other Loan Documents constitute the entire understanding among the parties hereto with respect to the subject matter hereof and supersede any prior agreements, written or oral, with respect thereto.

SECTION 11.9. Governing Law; Submission to Jurisdiction. THIS AGREEMENT AND EACH OTHER LOAN DOCUMENT (OTHER THAN THE COORDINATION CENTER GUARANTY, MICRO CANADA GUARANTY (MICRO) AND MICRO CANADA GUARANTY (COORDINATION CENTER/MICRO SINGAPORE)) SHALL EACH BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (OTHER THAN THE COORDINATION

CENTER GUARANTY, MICRO CANADA GUARANTY (MICRO) AND MICRO CANADA GUARANTY (COORDINATION CENTER/MICRO SINGAPORE)), OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS (OTHER THAN WITH RESPECT TO THE COORDINATION CENTER GUARANTY, MICRO CANADA GUARANTY (MICRO) OR MICRO CANADA GUARANTY (COORDINATION CENTER/MICRO SINGAPORE)) OF THE AGENTS, THE LENDERS, MICRO OR ANY OTHER OBLIGOR SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTS OF THE STATE OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK. MICRO AND EACH OTHER OBLIGOR HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND OF THE UNITED STATED DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET FORTH ABOVE, AND IRREVOCABLY CONSENTS TO THE SERVICE OF ANY AND ALL PROCESS IN SUCH LITIGATION BY THE MAILING OF COPIES OF SUCH PROCESS TO SUCH OBLIGOR AT ITS ADDRESS FOR NOTICES SPECIFIED PURSUANT TO SECTION 11.2 HEREOF, IN EACH SUCH CASE MARKED FOR THE ATTENTION OF GENERAL COUNSEL, INGRAM MICRO INC., OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF NEW YORK IN A MANNER PERMITTED BY THE LAWS OF EACH SUCH STATE. MICRO AND EACH OTHER OBLIGOR HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION WHICH IT MAY HAVE OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT MICRO OR ANY OTHER OBLIGOR HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, EACH SUCH OBLIGOR HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (OTHER THAN THE COORDINATION CENTER GUARANTY, MICRO CANADA GUARANTY (MICRO) AND MICRO CANADA GUARANTY (COORDINATION CENTER/MICRO SINGAPORE)).

SECTION 11.10. Successors and Assigns. This Agreement and each other Loan Document shall be binding upon and shall inure to the benefit of the parties hereto and thereto and their respective successors and assigns; provided, however, that:

(a) no Obligor may assign or transfer its rights or obligations hereunder or under any other Loan Document without the prior written consent of all the Lender Parties;

(b) the rights of sale, assignment and transfer of the Lenders are subject to Section 11.11; and

(c) the rights of the Administrative Agent and the Documentation Agent with respect to resignation or removal are subject to Section 10.4.

SECTION 11.11. Assignments and Transfers of Interests. No Lender may assign or sell participation interests in its Commitment or any of its Credit Extensions or any portion thereof to any Persons except in accordance with this Section 11.11.

SECTION 11.11.1. Assignments. Any Lender may at any time assign or transfer to one or more Eligible Assignees, to any of its Affiliates, to any other Lender or to any Federal Reserve Bank (each Person described in either of the foregoing clauses as being the Person to whom such assignment or transfer is available to be made, being hereinafter referred to as a "Transferee Lender") all or any part of such Lender's total Credit Extensions and Commitment (which assignment and delegation shall be of a constant, and not a varying, percentage of all the assigning Lender's Credit Extensions and Commitment) in a minimum aggregate amount of $10,000,000 (or if less, the entire amount of such Lender's total Credit Extensions and Commitment); provided, however, that, each Obligor and the Agents shall be entitled to continue to deal solely and directly with such Lender in connection with the interests so assigned and delegated to a Transferee Lender until:

(a) notice of such assignment or transfer, together with payment instructions, addresses and related information with respect to such Transferee Lender, shall have been given to Micro and each Agent by such Lender and such Transferee Lender;

(b) the Transferee Lender shall have executed and delivered to Micro and each Agent, a Lender Assignment Agreement; and

(c) the processing fee described below shall have been paid.

From and after the effective date of such Lender Assignment Agreement, (x) the Transferee Lender thereunder shall be deemed automatically to have become a party hereto and to the extent that rights and obligations hereunder have been assigned and delegated to such Transferee Lender in connection with such Lender Assignment Agreement, shall have the rights and obligations of a Lender hereunder and under the other Loan Documents, and (y) the assignor Lender, to the extent that rights and obligations hereunder have been assigned and delegated by it in connection with such Lender Assignment Agreement, shall be released from its obligations hereunder and under the other Loan Documents. Within five Business Days after its receipt pursuant to clauses (a) and (b) above of notice of such assignment and transfer and an executed Lender Assignment Agreement, Micro shall execute and deliver to the Administrative Agent (for delivery to the relevant Transferee Lender) new Notes evidencing such Transferee Lender's assigned Credit Extensions and Commitments and, if the assignor Lender has retained Credit Extensions and Commitments hereunder, replacement Notes in the principal amount of the Credit Extensions and Commitments retained by the assignor Lender hereunder (such Notes to be in exchange for, but not in payment of, the Notes then held by such assignor Lender). Each such Note shall be dated the date of the respective predecessor

Note. The assignor Lender shall mark each predecessor Note "exchanged" and deliver each of them to Micro. Accrued interest and accrued fees shall be paid at the same time or times provided in each predecessor Note and in this Agreement. The Transferee Lender shall pay a processing fee in the amount of $3,500 to the Administrative Agent upon delivery of its Lender Assignment Agreement to the Administrative Agent. Any attempted assignment and delegation not made in accordance with this Section 11.11.1 shall be null and void.

SECTION 11.11.2. Participations. Any Lender may at any time sell to one or more commercial banks or other Persons (each of such commercial banks and other Persons being herein called a "Participant") participating interests in any of its Credit Extensions and Commitments hereunder; provided, however, that

(a) no participation contemplated in this Section 11.11.2 shall relieve such Lender from its Commitments or its other obligations hereunder or under any other Loan Document;

(b) such Lender shall remain solely responsible for the performance of its Commitments and such other obligations;

(c) each Borrower and each other Obligor and the Agents shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and each other Loan Document;

(d) no Participant, unless such Participant is an Affiliate of such Lender or is itself a Lender, shall be entitled to require such Lender to take or refrain from taking any action hereunder or under any other Loan Document, except that such Lender may agree with any Participant that such Lender will not, without such Participant's consent, take any actions of the type described in clause (a), (b) or clause (c) of Section 11.1;

(e) no Borrower shall be required to pay any amount under this Agreement that is greater than the amount which it would have been required to pay had no participating interest been sold; and

(f) the aggregate amount of participating interests sold by any Lender in its Credit Extensions comprised of Bid Rate Loans shall not exceed, at any time, an amount equal to such Lender's Commitment at such time multiplied by three.

The Borrower acknowledges and agrees that each Participant, for purposes of Sections 5.3, 5.4, 5.5, 5.7, 5.9, 5.10, 11.3 and 11.4, shall be considered a Lender.

SECTION 11.12. Other Transactions. Nothing contained herein shall preclude any Lender Party from engaging in any transaction, in addition to those contemplated by this Agreement or any other Loan Document, with any Obligor or any of its Affiliates in which such Obligor or such Affiliate is not restricted hereby from engaging with any other Person.

SECTION 11.13. Further Assurances. Each Obligor agrees to do such further acts and things and to execute and deliver to each Lender Party such additional assignments, agreements, powers and instruments, as such Lender Party may reasonably require or deem advisable to carry into effect the purposes of this Agreement or any other Loan Document or to better assure and confirm unto such Lender Party its rights, powers and remedies hereunder and thereunder.

SECTION 11.14. Waiver of Jury Trial. THE AGENTS, THE LENDERS, MICRO AND EACH OTHER OBLIGOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF THE LENDER PARTIES OR MICRO OR ANY OTHER OBLIGOR. MICRO AND EACH OTHER OBLIGOR ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION (AND EACH OTHER PROVISION OF THIS AGREEMENT AND EACH OTHER LOAN DOCUMENT TO WHICH IT IS A PARTY) AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER PARTIES ENTERING INTO THIS AGREEMENT AND EACH SUCH OTHER LOAN DOCUMENT TO WHICH IT IS A PARTY.

SECTION 11.15. Confidentiality. Each of the Lender Parties hereby severally agrees with each Borrower that it will keep confidential all information delivered to such Lender Party by or on behalf of each Borrower or any of their respective Subsidiaries which information is known by such Lender Party to be proprietary in nature, concerns the terms and conditions of this Agreement or any other Loan Document, or is clearly marked or labeled or otherwise adequately identified when received by such Lender Party as being confidential information (all such information, collectively for purposes of this Section, "confidential information"); provided, that, each Lender Party shall be permitted to deliver or disclose "confidential information": (a) to its directors, officers, employees and affiliates; (b) to authorized agents, attorneys, auditors and other professional advisors retained by such Lender Party that have been apprised of such Lender Party's obligation under this Section 11.15 and have agreed to hold confidential the foregoing information substantially in accordance with the terms of this Section; (c) in connection with the prospective assignment or transfer of all or any part of, or the sale of a participating interest in, such Lender Party's Credit Extensions and Commitment, to any prospective Transferee Lender or Participant that has been apprised of such Lender Party's obligation under this Section 11.15 and has agreed to hold confidential the foregoing information in accordance with the terms of this

Section; (d) to any federal or state regulatory authority having jurisdiction over such Lender Party; (e) or to any other Person to which such delivery or disclosure may be necessary or appropriate (i) to effect compliance with any law, rule, regulation or order applicable to such Lender Party, (ii) in response to any subpoena or other legal process (provided, that the relevant Borrower shall be given notice of any such subpoena or other legal process as soon as possible and in any event prior to production (unless provision of any such notice would result in a violation of any such subpoena or other legal process), and the Lender Party receiving such subpoena or other legal process shall cooperate with such Borrower, at such Borrower's expense, in seeking a protective order to prevent or limit such disclosure), or (iii) in connection with any litigation to which such Lender Party is a party.

For purposes hereof, the term "confidential information" does not include any information that: (A) was publicly known or otherwise known by any Lender Party on a non-confidential basis from a source other than the relevant Borrower prior to the time such information is delivered or disclosed to such Lender Party by the relevant Borrower; (B) subsequently becomes publicly known through no act or omission by any Lender Party or any Person acting on behalf of any Lender Party; (C) otherwise becomes known to a Lender Party other than through disclosure by the relevant Borrower (or any Subsidiary thereof) or through someone subject, to such Lender Party's knowledge, to a duty of confidentiality to the relevant Borrower; or (D) constitutes financial statements that are otherwise publicly available.

SECTION 11.16. Release of Subsidiary Guarantors and Supplemental Borrowers.

(a) Upon receipt by the Agents of (i) a certificate from a senior officer of Micro certifying as of the date thereof that, after the consummation of the transaction or series of transactions described in such certificate (which transactions, individually and in the aggregate, shall be certified to be in compliance with the terms and conditions of this Agreement, including the covenants contained in Sections 8.2.5, 8.2.6 and 8.2.9), the Guarantor identified in such certificate is no longer a Subsidiary of Micro, and (ii) such additional information, approvals, opinions, documents or instruments relating to the matters addressed in such certificate as the Agents shall reasonably request, such Guarantor's Guaranty shall automatically terminate so long as there shall exist no Default immediately prior to, as a result of, or after giving effect to, such termination. In all events, all other Guaranties shall remain in full force and effect. Each Lender Party shall, at Micro's expense, execute such documents as Micro shall reasonably request to evidence such termination.

(b) Upon receipt by the Agents of (i) a certificate from a senior officer of Micro certifying as of the date thereof that, after the consummation of the transaction or series of transactions described in such certificate (which transactions, individually and in the aggregate, shall be certified to be in compliance with the terms and conditions of this Agreement, including the covenants contained in Sections 8.2.5, 8.2.6 and 8.2.9), the Supplemental Borrower identified in such certificate is no longer a Subsidiary of Micro, (ii) such additional information, approvals, opinions, documents or instruments relating to the matters addressed in such certificate as the Agents shall reasonably request, and (iii) payment in full of any Outstanding Credit Extensions made by any Lender in favor of such Supplemental Borrower and satisfaction of any Obligations of such Supplemental Borrower under the Loan Documents, such Supplemental Borrower shall automatically cease to be a party to this Agreement so long as there shall exist no Default immediately prior to, as a result of, or after giving effect to, such cessation. In all events, this Agreement shall remain in full force and effect as among the remaining parties hereto. Each Lender Party shall, at Micro's expense, execute such documents as Micro shall reasonably request to evidence such cessation.

SECTION 11.17. Collateral. Each of the Lenders represents to the Administrative Agent and each of the other Lenders that it in good faith is not relying upon any Margin Stock as collateral in the extension or maintenance of the credit provided for in this Agreement.

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

BORROWERS AND GUARANTORS:

INGRAM MICRO INC.

By /s/ James F. Ricketts

Name: James F. Ricketts
Title: Vice President & Treasurer

Address: 1600 E. St. Andrew Place
Santa Ana, CA 92705

Facsimile No: 714-566-9447

Attention: James F. Ricketts

INGRAM EUROPEAN COORDINATION CENTER N.V.

By /s/ M. J. Grainger

Name: M. J. Grainger
Title: Authorized Representative

Address: Leuvensesteenweg 11
1932 Sint Stevens Woluwe
Belgium

Facsimile No: 011-32-2-725-1511

Attention: Thierry Denaisse

INGRAM MICRO SINGAPORE PTE LTD.

By /s/ M. J. Grainger

Name: M. J. Grainger
Title: Attorney

Address: 143 Cecil Street, #07-03/04
GB Building
Singapore 069542

Facsimile No: 011-65-226-5337

Attention: Ng Peng Tea

INGRAM MICRO INC.,
an Ontario, Canada corporation

By /s/ M. J. Grainger

Name: M. J. Grainger
Title: Authorized Representative

Address: 230 Barmac Drive
Weston, Ontario
Canada M9L 2Z3

Facsimile No: 416-740-8623

Attention: Robert E. Carbrey

Percentage	Initial Commitment Amount	
8.250%	$82,500,000	THE LENDER PARTIES: NATIONSBANK OF TEXAS, N.A., as Administrative Agent and as a Lender By /s/ Stan W. Reynolds --- Name: Stan W. Reynolds Title: Vice President LIBOR Office: 901 Main Street 13th Floor Dallas, Texas 75202 Facsimile No: 214-508-2515 Attention: Agency Services Domestic Office: 901 Main Street 13th Floor

Dallas, Texas 75202

Facsimile No: 214-508-2515

Attention: Agency Services

Address for
Notices: 901 Main Street
13th Floor
Dallas, Texas 75202

Facsimile No: 214-508-2515

Attention: Agency Services

Address for Payment of Fees:

901 Main Street
13th Floor
Dallas, Texas 75202

Facsimile No: 214-508-2515

Attention: Agency Services

Percentage	Initial Commitment Amount	
8.250%	$82,500,000	THE BANK OF NOVA SCOTIA, as Documentation Agent and as a Lender

By /s/ P. M. Brown

Name: P. M. Brown
Title: Relationship Manager

LIBOR
Office: 600 Peachtree Street, N.E.
Suite 2700
Atlanta, Georgia 30308

Facsimile No: 404-888-8998

Attention: Amanda Norsworthy

Domestic
Office: 600 Peachtree Street, N.E.
Suite 2700
Atlanta, Georgia 30308

Facsimile No: 404-888-8998

Attention: Amanda Norsworthy

Address for
Notices: 600 Peachtree Street, N.E.
Suite 2700
Atlanta, Georgia 30308

Facsimile No: 404-888-8998

Attention: Amanda Norsworthy

Address for Payment of Fees:

600 Peachtree Street, N.E.
Suite 2700
Atlanta, Georgia 30308

Facsimile No: 404-888-8998

Attention: Amanda Norsworthy

Percentage	Initial Commitment Amount	
6.500%	$65,000,000	THE CHASE MANHATTAN BANK, as a Co-Agent and as a Lender

By /s/ Peter C. Eckstein

Name: Peter C. Eckstein
Title: Vice President

LIBOR
Office: The Chase Manhattan Bank
Grand Central Towers
29th Floor
New York, New York 10017

Facsimile No: 212-622-0854

Attention: Andrew Stasiw

Domestic
Office: The Chase Manhattan Bank
Grand Central Towers
29th Floor
New York, New York 10017

Facsimile No: 212-622-0854

Attention: Andrew Stasiw

Address for
Notices: The Chase Manhattan Bank
Grand Central Towers
29th Floor
New York, New York 10017

Facsimile No: 212-622-0854

Attention: Andrew Stasiw

Address for Payment of Fees:

Loan Services
52 Broadway
New York, NY 10004

Facsimile No: 212-701-5090

Attention: John Knapp

Percentage	Initial Commitment Amount	
6.500%	$65,000,000	DG BANK DEUTSCHE GENOSSENSCHAFTSBANK, CAYMAN ISLANDS BRANCH, as a Co-Agent and as a Lender

By /s/ J. W. Somers

Name: J. W. Somers
Title: S.V.P. and Manager

By /s/ William S. Bartlett

Name: William S. Bartlett
Title: AVP

LIBOR
Office: DG BANK New York
DG BANK Building
609 Fifth Avenue
New York, NY 10017-1021

Facsimile No: 212-745-1556

Attention: Karen Brinkman

Domestic
Office: DG BANK New York
DG BANK Building
609 Fifth Avenue
New York, NY 10017-1021

Facsimile No: 212-745-1556

Attention: Karen Brinkman

Address for
Notices: DG BANK Atlanta Agency
303 Peachtree Street, N.E.
Suite 2900
Atlanta, GA 30308

Facsimile No: 404-524-4006

Attention: John Somers

Address for Payment of Fees:

DG Bank New York
DG Bank Building
609 Fifth Avenue
New York, NY 10017-1021

Facsimile No: 212-745-1556

Attention: Beverly Magee

Percentage	Initial Commitment Amount	
6.500%	$65,000,000	THE FIRST NATIONAL BANK OF CHICAGO, as a Co-Agent and as a Lender

By /s/ Kathleen Comella

Name: Kathleen Comella
Title: Vice President

LIBOR
Office: One First National Plaza
Suite 0167, 1-10
Chicago, Illinois 60670

Facsimile No: 312-732-5435

Attention: Kathy Comella

Domestic
Office: One First National Plaza
Suite 0167, 1-10
Chicago, Illinois 60670

Facsimile No: 312-732-5435

Attention: Kathy Comella

Address for
Notices: One First National Plaza
Suite 0167, 1-10
Chicago, Illinois 60670

Facsimile No: 312-732-5435

Attention: Kathy Comella

Address for Payment of Fees:

One First National Plaza
Suite 0634, 1-10
Chicago, Illinois 60670

Facsimile No: 312-732-4840

Attention: Mattie Reed

Percentage	Initial Commitment Amount	
6.500%	$65,000,000	THE INDUSTRIAL BANK OF JAPAN, LIMITED, ATLANTA AGENCY, as a Co-Agent and as a Lender

By /s/ Kazuo Iida

Name: Kazuo Iida
Title: General Manager

LIBOR
Office: One Ninety One Peachtree Tower
191 Peachtree Street, N.E.
Suite 3600
Atlanta, GA 30303-1757

Facsimile No: 404-524-8509

Attention: James Masters

Domestic
Office: One Ninety One Peachtree Tower
191 Peachtree Street, N.E.
Suite 3600
Atlanta, GA 30303-1757

Facsimile No: 404-524-8509

Attention: James Masters

Address for
Notices: One Ninety One Peachtree Tower
191 Peachtree Street, N.E.
Suite 3600
Atlanta,GA 30303-1757

Facsimile No: 404-524-8509

Attention: James Masters

Address for Payment of Fees:

One Ninety One Peachtree Tower
191 Peachtree Street, N.E.
Suite 3600
Atlanta, GA 30303-1757

Facsimile No: 404-524-8509

Attention: James Masters

Percentage	Initial Commitment Amount	
6.500%	$65,000,000	ROYAL BANK OF CANADA, as a Co-Agent and as a Lender

By /s/ Michael Cole

Name: Michael Cole
Title: Manager

LIBOR
Office: 600 Wilshire Boulevard
Suite 800
Los Angeles, CA 90017

Facsimile No: 213-955-5350

Attention: Michael Cole

Domestic
Office: 600 Wilshire Boulevard
Suite 800
Los Angeles, CA 90017

Facsimile No: 213-955-5350

Attention: Michael Cole

Address for
Notices: 1 Financial Square
23rd Floor
New York, NY 10005-3531

Facsimile No: 212-428-2372

Attention: Linda Smith
Loan Administrator

Address for Payment of Fees:

1 Financial Square
23rd Floor
New York, NY 10005-3531

Facsimile No: 212-428-2372

Attention: Linda Smith
Loan Administrator

Percentage	Initial Commitment Amount	
5.000%	$50,000,000	THE FUJI BANK, LIMITED, LOS ANGELES AGENCY

By /s/ Nobuhiro Umemura

Name: Nobuhiro Umemura
Title: Joint General Manager

LIBOR
Office: 333 S. Hope Street
39th Floor
Los Angeles, CA 90071

Facsimile No: 213-253-4198

Attention: Corporate Finance Group

Domestic
Office: 333 S. Hope Street
39th Floor
Los Angeles, CA 90071

Facsimile No: 213-253-4198

Attention: Corporate Finance Group

Address for
Notices: 333 S. Hope Street
39th Floor
Los Angeles, CA 90071

Facsimile No: 213-253-4198

Attention: Tami Kita

Address for Payment of Fees:

333 S. Hope Street
39th Floor
Los Angeles, CA 90071

Facsimile No: 213-253-4198

Attention: Corporate Finance Group

Percentage	Initial Commitment Amount	
4.000%	$40,000,000	ABN-AMRO BANK, N.V.

By /s/ Steven L. Hipsman

Name: Steven Hipsman
Title: Vice President

By /s/ Larry Kelley

Name: Larry Kelley
Title: Group Vice President

LIBOR
Office: One Ravinia Drive
Suite 1200
Atlanta, GA 30346

Facsimile No: 770-395-9188

Attention: Reenie Williamson

Domestic
Office: One Ravinia Drive
Suite 1200
Atlanta, GA 30346

Facsimile No: 770-395-9188

Attention: Reenie Williamson

Address for
Notices: One Ravinia Drive
Suite 1200
Atlanta, GA 30346

Facsimile No: 770-399-0066

Attention: Patrick A. Thom

Address for Payment of Fees:

One Ravinia Drive
Suite 1200
Atlanta, GA 30346

Facsimile No: 770-395-9188

Attention: Reenie Williamson

Percentage	Initial Commitment Amount	
4.000%	$40,000,000	BANK OF AMERICA NATIONAL TRUST & SAVINGS ASSOCIATION

By /s/ Kevin McMahon

Name: Kevin McMahon
Title: Managing Director

LIBOR
Office: 1850 Gateway Boulevard
Concord, CA 94521

Facsimile No: 510-675-7531

Attention: Daryl Hurst

Domestic
Office: 1850 Gateway Boulevard
Concord, CA 94521

Facsimile No: 510-675-7531

Attention: Daryl Hurst

Address for Notices other than Notice of Borrowing or Notices of Conversion or Continuation:

High Technology #3697
555 California Street
41st Floor
San Francisco, CA 94104

Facsimile No: 415-622-2514

Attention: Kevin McMahon

Address for Payment of Fees:

1850 Gateway Boulevard
Concord, CA 94521

Facsimile No: 510-675-7531

Attention: Daryl Hurst

Percentage	Initial Commitment Amount	
4.000%	$40,000,000	CREDIT LYONNAIS NEW YORK BRANCH

By /s/ Robert Ivosevich

Name: Robert Ivosevich
Title: Senior Vice President

LIBOR
Office: 1301 Avenue of the Americas
New York, NY 10019

Facsimile No: 404-584-5249

Attention: David Cawrse

Domestic
Office: 1301 Avenue of the Americas
New York, NY 10019

Facsimile No: 404-584-5249

Attention: David Cawrse

Address for

Notices: Credit Lyonnais Atlanta Agency
303 Peachtree Street, N.E.
Suite 4400
Atlanta, GA 30308

Facsimile No: 404-584-5249

Attention: David Cawrse

Address for Payment of Fees:

Credit Lyonnais Atlanta Agency
303 Peachtree Street, N.E.
Suite 4400
Atlanta, GA 30308

Facsimile No: 404-584-5249

Attention: Lisa Cline

Percentage	Initial Commitment Amount	
4.000%	$40,000,000	THE DAI-ICHI KANGYO BANK, LTD., LOS ANGELES AGENCY

By /s/ Masatsugu Morishita

Name: Masatsugu Morishita
Title: Sr. Vice President &
Joint General Manager

LIBOR
Office: 555 West Fifth Street
5th Floor
Los Angeles, CA 90013

Facsimile No: 213-243-4848

Attention: Hollie Luong

Domestic
Office: 555 West Fifth Street
5th Floor
Los Angeles, CA 90013

Facsimile No: 213-243-4848

Attention: Hollie Luong

Address for
Notices: 555 West Fifth Street
5th Floor
Los Angeles, CA 90013

Facsimile No: 213-243-4848

Attention: Hollie Luong

Address for Payment of Fees:

555 West Fifth Street
5th Floor
Los Angeles, CA 90013

Facsimile No: 213-243-4848

Attention: Hollie Luong

Percentage	Initial Commitment Amount	
4.000%	$40,000,000	THE SAKURA BANK, LIMITED

By /s/ Fernando Buesa

Name: Fernando Buesa
Title: Vice President

By /s/ Ofusa Sato

Name: Ofusa Sato
Title: Senior Vice President
General Manager

LIBOR
Office: 515 South Figueroa Street
Suite 400
Los Angeles, CA 90071

Facsimile No: 213-623-8692

Attention: Fernando Buesa

Domestic
Office: 515 South Figueroa Street
Suite 400
Los Angeles, CA 90071

Facsimile No: 213-623-8692

Attention: Fernando Buesa

Address for
Notices: 515 South Figueroa Street
Suite 400
Los Angeles, CA 90071

Facsimile No: 213-623-8692

Attention: Emiko Nagai
Loan Administrator

Address for Payment of Fees:

515 South Figueroa Street
Suite 400
Los Angeles, CA 90071

Facsimile No: 213-623-8692

Attention: Emiko Nagai
Loan Administrator

Percentage	Initial Commitment Amount	
2.500%	$25,000,000	COMMERZBANK AKTIENGESELLSCHAFT, LOS ANGELES BRANCH

By /s/ Christian Jagenburg

Name: Christian Jagenburg
Title: Senior Vice President & Manager

By /s/ Steven F. Larsen

Name: Steven F. Larsen
Title: Vice President

LIBOR
Office: Commerzbank AG, Los Angeles Branch
660 S. Figueroa, Suite 1450
Los Angeles, CA 90017

Facsimile No: 213-623-0039

Attention: Steven F. Larsen

Domestic
Office: Commerzbank AG, Los Angeles Branch
660 S. Figueroa, Suite 1450
Los Angeles, CA 90017

Facsimile No: 213-623-0039

Attention: Steven F. Larsen

Address for
Notices: Commerzbank AG, Los Angeles Branch
660 S. Figueroa, Suite 1450
Los Angeles, CA 90017

Facsimile No: 213-623-0039

Attention: Steven F. Larsen

Address for Payment of Fees:

Commerzbank AG, New York Branch
2 World Financial Center
New York, New York 10281-1050

Facsimile No: 212-266-7593

Attention: Christina Humphrey

Percentage	Initial Commitment Amount	
2.500%	$25,000,000	THE MITSUBISHI TRUST AND BANKING CORPORATION, LOS ANGELES AGENCY

By /s/ Yasushi Satomi

Name: Yasushi Satomi
Title: Senior Vice President

LIBOR
Office: 801 South Figueroa Street
Suite 500
Los Angeles, CA 90017

Facsimile No: 213-687-4631

Attention: Jill Kato

Domestic Office: 801 South Figueroa Street
Suite 500
Los Angeles, CA 90017

Facsimile No: 213-687-4631

Attention: Jill Kato

Address for
Notices: 801 South Figueroa Street
Suite 500
Los Angeles, CA 90017

Facsimile No: 213-687-4631

Attention: Jill Kato

Address for Payment of Fees:

801 South Figueroa Street
Suite 500
Los Angeles, CA 90017

Facsimile No: 213-629-2571

Attention: Yvonne Yoon

Percentage	Initial Commitment Amount	
2.000%	$20,000,000	BANCA COMMERCIALE ITALIANA, LOS ANGELES FOREIGN BRANCH

By /s/ Richard R. Iwanicki

Name: Richard R. Iwanicki
Title: V.P.

By /s/ E. Bombieri

Name: E. Bombieri
Title: V.P. & Manager

LIBOR
Office: Banca Commerciale Italiana
Los Angeles Foreign Branch
555 S. Flower Street, #4300
Los Angeles, CA 90071

Facsimile No: 213-624-0457

Attention: Richard E. Iwanicki

Domestic
Office: Banca Commerciale Italiana
Los Angeles Foreign Branch
555 S. Flower Street, #4300
Los Angeles, CA 90071

Facsimile No: 213-624-0457

Attention: Richard E. Iwanicki

Address for
Notices: Banca Commerciale Italiana
Los Angeles Foreign Branch
555 S. Flower Street, #4300
Los Angeles, CA 90071

Facsimile No: 213-624-0457

Attention: Richard E. Iwanicki

Address for Payment of Fees:

Banca Commerciale Italiana
Los Angeles Foreign Branch
555 S. Flower Street, #4300
Los Angeles, CA 90071

Facsimile No: 213-624-0457

Attention: Richard E. Iwanicki

Percentage	Initial Commitment Amount	
2.000%	$20,000,000	BANQUE NATIONALE DE PARIS

By /s/ Clive Bettles

Name: Clive Bettles
Title: Senior Vice President
and Manager

By /s/ Tjalling Terpstra

Name: Tjalling Terpstra
Title: Vice President

LIBOR
Office: 725 South Figueroa Street
Suite #2090
Los Angeles, CA 90017

Facsimile No: 213-488-9602

Attention: Tjalling Terpstra

Domestic
Office: 725 South Figueroa Street
Suite #2090
Los Angeles, CA 90017

Facsimile No: 213-488-9602

Attention: Tjalling Terpstra

Address for
Notices: Banque Nationale de Paris
Treasury Department
180 Montgomery Street
San Francisco, CA 94104

Facsimile No: 415-989-9041

Attention: Don Hart

with a copy to:

Tjalling Terpstra
Banque Nationale de Paris
725 South Figueroa Street
Suite #2090
Los Angeles, CA 90017

Address for Payment of Fees:

The Federal Reserve Bank of San Francisco
c/o Banque Nationale de Paris
725 South Figueroa Street
Suite #2090
Los Angeles, CA 90017

Attention: Paggie Wong

Initial

Percentage	Initial Commitment Amount	
2.000%	$20,000,000	COMERICA BANK

By /s/ Dirk Price

Name: Dirk Price
Title: Vice President

LIBOR
Office: 1920 Main Street
Suite 1150
Irvine, CA 92714

Facsimile No: 714-476-1222

Attention: Dirk A. Price

Domestic
Office: 1920 Main Street
Suite 1150
Irvine, CA 92714

Facsimile No: 714-476-1222

Attention: Dirk A. Price

Address for
Notices: 1920 Main Street
Suite 1150
Irvine, CA 92714

Facsimile No: 714-476-1222

Attention: Dirk A. Price

Address for Payment of Fees:

500 Woodward Avenue
9th Floor
Detroit, MI 48226

Facsimile No: 313-222-9434

Attention: Debra J. Clark
Customer Assistant

Percentage	Initial Commitment Amount	
2.000%	$20,000,000	DEN DANSKE BANK AKTIESELSKAB CAYMAN ISLANDS BRANCH

By /s/ Peter L. Hargraves

Name: Peter L. Hargraves
Title: Vice President

By /s/ John A. O'Neill

Name: John A. O'Neill
Title: Vice President

LIBOR
Office: Den Danske Bank Aktieselskab
Cayman Islands Branch
c/o Den Danske Bank, New York Branch
4th Floor East Building
280 Park Avenue
New York, New York 10017

Facsimile No: 212-599-2493

Attention: Maria Webb

Domestic
Office: Den Danske Bank Aktieselskab
Cayman Islands Branch
c/o Den Danske Bank, New York Branch
4th Floor East Building
280 Park Avenue
New York, New York 10017

Facsimile No: 212-599-2493

Attention: Maria Webb

Address for

Notices:

Den Danske Bank Aktieselskab
Cayman Islands Branch
c/o Den Danske Bank, New York Branch
4th Floor East Building
280 Park Avenue
New York, New York 10017

Facsimile No: 212-599-2493

Attention: Maria Webb

Address for Payment of Fees:

Den Danske Bank Aktieselskab
Cayman Islands Branch
c/o Den Danske Bank, New York Branch
4th Floor East Building
280 Park Avenue
New York, New York 10017

Facsimile No: 212-599-2493

Attention: Maria Webb

Percentage	Initial Commitment Amount	
2.000%	$20,000,000	FIRST AMERICAN NATIONAL BANK

By /s/ Corey Napier

Name: Corey Napier
Title: Vice President

LIBOR
Office: First American National Bank
First American Center
Nashville, TN 37238-0310

Facsimile No: 615-748-6072

Attention: Corey Napier

Domestic
Office: First American National Bank
First American Center
Nashville, TN 37238-0310

Facsimile No: 615-748-6072

Attention: Corey Napier

Address for
Notices: First American National Bank
First American Center
3rd Floor
Nashville, TN 37238-0310

Facsimile No: 615-748-6098

Attention: Frensia Joy

Address for Payment of Fees:

First American National Bank
First American Center
Commercial Loan Operations
Nashville, TN 37238-0310

Facsimile No: 615-748-6098

Attention: Frensia Joy

Percentage	Initial Commitment Amount	
2.000%	$20,000,000	GENERALE BANK, S.A./N.V.

By /s/ E. Matthews

Name: E. Matthews
Title: SVP

By /s/ P. Pollaera

Name: P. Pollaera
Title: SVP

LIBOR
Office: Generale Bank, S.A./N.V.
520 Madison Avenue
41st Floor
New York, New York 10022

Facsimile No: 212-750-9503

Attention: Douglas Riahi

Domestic
Office: Generale Bank, S.A./N.V.
520 Madison Avenue
41st Floor
New York, New York 10022

Facsimile No: 212-750-9503

Attention: Douglas Riahi

Address for
Notices: Generale Bank, S.A./N.V.
520 Madison Avenue
41st Floor
New York, New York 10022

Facsimile No: 212-750-9503

Attention: Douglas Riahi

Address for Payment of Fees:

Generale Bank, S.A./N.V.
520 Madison Avenue
41st Floor
New York, New York 10022

Facsimile No: 212-750-9503

Attention: Douglas Riahi

Percentage	Initial Commitment Amount	
2.000%	$20,000,000	KREDIETBANK N.V., GRAND CAYMAN BRANCH

By /s/ Robert Snauffer

Name: Robert Snauffer
Title: Vice President

By /s/ Raymond F. Murray

Name: Raymond F. Murray
Title: Vice President

LIBOR
Office: Kredietbank N.V.
New York Branch
125 West 55th Street
10th Floor
New York, NY 10019

Facsimile No: 212-956-5580

Attention: Robert Snauffer

Domestic
Office: Kredietbank N.V.
New York Branch
125 West 55th Street
10th Floor
New York, NY 10019

Facsimile No: 212-956-5580

Attention: Robert Snauffer

Address for
Notices: Kredietbank
Los Angeles Representative Office
550 South Hope Street
Suite 1775
Los Angeles, CA 90071

Facsimile No: 213-629-5801

Attention: Roxanne Cheng
Vice President

Address for Payment of Fees:

Kredietbank N.V.
New York Branch
125 West 55th Street
10th Floor
New York, NY 10019

Facsimile No: 212-956-5580

Attention: Lynda Resuman
Loan Operator

Percentage	Initial Commitment Amount	
2.000%	$20,000,000	THE SANWA BANK, LIMITED LOS ANGELES BRANCH

By /s/ Virginia Hart

Name: Virginia Hart
Title: Vice President

LIBOR
Office: 601 S. Figueroa Street
Los Angeles, CA 90017

Facsimile No: 213-623-4912

Attention: Virginia Hart

Domestic
Office: 601 S. Figueroa Street
Los Angeles, CA 90017

Facsimile No: 213-623-4912

Attention: Virginia Hart

Address for
Notices: 601 S. Figueroa Street
Los Angeles, CA 90017

Facsimile No: 213-623-4912

Attention: Virginia Hart

Address for Payment of Fees:

601 S. Figueroa Street
Los Angeles, CA 90017

Facsimile No: 213-623-4912

Attention: Washington Boza
Loan Operations

Percentage	Initial Commitment Amount	
2.000%	$20,000,000	SUNTRUST BANK, ATLANTA

By /s/ Kristina L. Anderson

Name: Kristina L. Anderson
Title: Asst. Vice President

By /s/ Charles J. Johnson

Name: Charles J. Johnson
Title: Vice President

LIBOR
Office: 25 Park Place, N.E.
Atlanta, GA 30303

Facsimile No: 404-588-8505

Attention: Kathy Perkerson

Domestic
Office: 25 Park Place, N.E.
Atlanta, GA 30303

Facsimile No: 404-588-8505

Attention: Kathy Perkerson

Address for
Notices: 25 Park Place, N.E.
Atlanta, GA 30303

Facsimile No: 404-588-8505

Attention: Kris Anderson

Address for Payment of Fees:

25 Park Place, N.E.
Atlanta, GA 30303

Facsimile No: 404-588-8505

Attention: Kathy Perkerson

Percentage	Initial Commitment Amount	
2.000%	$20,000,000	UNITED STATES NATIONAL BANK OF OREGON

By /s/ Derek Ridgley

Name: Derek Ridgley
Title: Assistant Vice President

LIBOR
Office: 555 S.W. Oak Street
PL-4
Portland, OR 97204

Facsimile No: 503-275-5428

Attention: Derek W. Ridgley

Domestic
Office: 555 S.W. Oak Street
PL-4
Portland, OR 97204

Facsimile No: 503-275-5428

Attention: Derek W. Ridgley

Address for
Notices: 555 S.W. Oak Street
PL-4
Portland, OR 97204

Facsimile No: 503-275-5428

Attention: Derek W. Ridgley

Address for Payment of Fees:

555 S.W. Oak Street
PL-7 Note Department
Portland, OR 97204

Attention: Participation Specialist

Percentage	Initial Commitment Amount	
1.000%	$10,000,000	ISTITUTO BANCARIO SAN PAOLO DI TORINO S.P.A.

By /s/ Robert S. Wurster

Name: Robert S. Wurster
Title: First Vice President

By /s/ William J. De Angelo

Name: William J. De Angelo
Title: First Vice President

LIBOR
Office: 245 Park Avenue
35th Floor
New York, NY 10167

Facsimile No: 212-599-5303

Attention: Carmela Romanello-Schaden

Domestic
Office: 245 Park Avenue
35th Floor
New York, NY 10167

Facsimile No: 212-599-5303

Attention: Carmela Romanello-Schaden

Address for Notices other than Notice of Borrowing or Notice of Conversion:

444 S. Flower Street
Suite 4550
Los Angeles, CA 90071

Facsimile No: 213-622-2514

Attention: Annette Bergsten

Address for Payment of Fees:

245 Park Avenue
35th Floor
New York, NY 10167

Facsimile No: 212-599-5303

Attention: Carmela Romanello-Schaden

EXHIBIT 10.13

AMENDED AND RESTATED REORGANIZATION AGREEMENT

among

INGRAM INDUSTRIES INC.,

INGRAM MICRO INC.,

and

INGRAM ENTERTAINMENT INC.

TABLE OF CONTENTS(1)

(1) The Table of Contents is not a part of this Agreement.

ARTICLE 7

MISCELLANEOUS

EXHIBITS

AMENDED AND RESTATED REORGANIZATION AGREEMENT

AGREEMENT dated as of September 4, 1996, as amended and restated as of October 17, 1996, among Ingram Industries Inc., a Tennessee corporation ("Industries"), Ingram Micro Inc., a Delaware corporation ("Micro"), and Ingram Entertainment Inc., a Tennessee corporation ("Entertainment" and, together with Industries and Micro, the "Ingram Companies").

The parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

SECTION 1.1. Definitions. (a) The following terms, as used herein, have the following meanings:

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such other Person; provided that for purposes of this Agreement no Ingram Company shall be deemed an Affiliate of any other Ingram Company. For purposes of this definition, the term "control", when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise, and the terms "controlling", "controlled by" and "under common control with" have meanings correlative to the foregoing.

"Ancillary Agreements" means (i) the Master Services Agreement substantially in the form attached as Exhibit I hereto, (ii) the Risk Management Agreement substantially in the form attached as Exhibit II hereto, (iii) the Data Center Services Agreement substantially in the form attached as Exhibit III hereto, (iv) the Tax Sharing and Tax Services Agreement substantially in the form attached as Exhibit IV hereto and (v) the Employee Benefits Transfer and Assumption Agreement substantially in the form attached as Exhibit V hereto. [Names of these Agreements will be changed to reflect amendments and restatements thereof, if necessary.]

"Carrying Cost" means, with respect to any investment, the carrying cost of such investment from the date specified in Article 3 with respect to such investment to the date of disposition of such investment, calculated by Industries on the basis of the average borrowing rate of Industries during such period as published from time to time by the Industries treasury department as applied to the amount of Industries' invested capital from time to time with respect to such investment.

"Covered Person" means (i) with respect to Micro, each Subsidiary of Micro, (ii) with respect to Entertainment, each Subsidiary of Entertainment and (iii) with respect to Industries, each business operating unit of Industries and each Subsidiary of Industries (other than Micro, Entertainment and their respective Subsidiaries); provided that "Covered Person" shall in no event include Cactus, Magnolia or IMS.

"Effective Time" means the effective time of the First Closing as defined in the Exchange Agreement.

"Exchange Agreement" means the Amended and Restated Exchange Agreement dated as of September 4, 1996, as amended and restated as of October 17, 1996, among each Ingram Company and the Persons listed on the signature pages thereof.

"Material Adverse Effect" means, with respect to any Ingram Company, a material adverse effect on the business, assets, condition (financial or otherwise) or result of operations of the business of such Ingram Company and its Subsidiaries taken as a whole.

"Person" means an individual, corporation, partnership,

association, trust, limited liability company or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Second Closing" shall have the meaning set forth in the Exchange Agreement.

"Subsidiary" means, with respect to Industries, Entertainment or Micro, any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are directly or indirectly owned by such Person immediately after the Closing.

(b) Each of the following terms is defined in the Section set forth opposite such term:

Term	Section
Cactus	3.2
Cooper Agreement	3.2
Currently Pledged Stock	4.4
IMS	3.1
Indemnified Party	5.3
Indemnifying Party	5.3
IOBC	3.1
IPSI	3.2
Loss	5.2
Magnolia	3.1

ARTICLE 2

REPRESENTATIONS AND WARRANTIES OF THE PARTIES

Each party represents and warrants to each other party as of September 4, 1996, as of October 17, 1996 and as of the Effective Time that:

SECTION 2.1. Corporate Existence and Power. Such party is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and has all corporate powers and all governmental licenses, authorizations, permits, consents and approvals required to carry on its business as now conducted, except where the failure to have such governmental licenses, authorizations, permits, consents and approvals does not have a Material Adverse Effect or would not prevent such party from performing any of its obligations hereunder or under the Ancillary Agreements.

SECTION 2.2. Corporate Authorization. The execution, delivery and performance by such party of this Agreement and each of the Ancillary Agreements to which such party is a party are within its corporate powers and have been duly authorized by all necessary corporate and stockholder action on its part. This Agreement constitutes, and when executed and delivered, each of the Ancillary Agreements to which such party is a party will constitute, a valid and binding agreement of such party.

SECTION 2.3. Governmental Authorization. The execution, delivery and performance by such party of this Agreement and each of the Ancillary Agreements to which such party is a party require no action by or in respect of, or filing with, any governmental body, agency or official other than (i) compliance with any applicable requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder and (ii) such other matters where the failure to take such action or make such filing would not have a Material Adverse Effect or prevent such party from performing any of its obligations hereunder or the Ancillary Agreements.

SECTION 2.4. Non-Contravention. The execution, delivery and performance by such party of this Agreement and each of the Ancillary Agreements to which such party is a party do not (i) violate the certificate of incorporation or bylaws of such party, (ii) assuming compliance with the matters referred to in Section 2.3, violate any applicable law, rule, regulation, judgment, injunction, order or decree, (iii) constitute a default under or give rise to any right of termination, cancellation or acceleration of any right or obligation of any party or to a loss of any benefit relating to the business of such party to which any party is entitled under any permit or license or any provision of any agreement, contract or other instrument binding upon any party or by which any of the assets of such party is or may be bound or (iv) result in the creation or imposition of any lien on any asset of such party, except, in the case of clauses (ii) through (iv), as would not, individually or in the aggregate, have a Material Adverse Effect or prevent such party from performing in any material respect any of its obligations hereunder or under the Ancillary Agreements.

ARTICLE 3

CERTAIN LIABILITIES; CERTAIN ASSETS

SECTION 3.1. Assumed Liabilities. (a) Upon the terms and subject to the conditions of this Agreement and except as otherwise provided in the Ancillary Agreements, each party agrees, at the Effective Time, to assume, or remain liable for, as the case may be, and shall thereafter pay, perform and discharge, the following liabilities and obligations:

(i) liabilities and obligations incurred by such party (in the case of Micro and Entertainment) and its Covered Persons, or by any Covered Person of such party (in the case of Industries), with respect to periods ending on or prior to the Effective Time, other than liabilities and obligations arising directly or indirectly as a result of (1) any intentional act which is tortious or (2) any illegal act, in either case committed by (x) a corporate officer of Industries (except for actions that are believed by such person to be in furtherance of his duties as an officer or employee of Micro, Entertainment, any of their respective Covered Persons or a Covered Person of Industries), (y) any other employee of Industries whose responsibilities are not primarily associated with Micro, Entertainment, any of their respective Covered Persons or a Covered Person of Industries, or (z) any other employee or agent of another party;

(ii) liabilities and obligations incurred by any other party (if such other party is Micro or Entertainment) and its Covered Persons, or by any Covered Person of any other party (if such other party is Industries), with respect to periods ending on or prior to the Effective Time arising directly or indirectly as a result of (x) any intentional act which is tortious or (y) any illegal act, in either case committed by an employee or agent of such party or its Covered Persons (in the case of Micro or Entertainment) or by a Covered Person of such party (in the case of Industries);

(iii) in the case of Industries and subject to Section 3.1(b)(ii), general corporate level liabilities and obligations recorded under Industries' internal accounting system as "home office" liabilities up to an aggregate amount of $100,000 incurred by Industries with respect to periods ending on or prior to the Effective Time, to the extent that such liabilities and obligations (x) are not attributable to Micro, Entertainment, any of their respective Covered Persons or any Covered Person of Industries, (y) have not been reserved for on the December 31, 1995 balance sheet of any Ingram Company and (z) are extraordinary and non-recurring in nature and arise other than in the ordinary course of business;

(iv) in the case of Micro, in the event that the net proceeds from a disposition by Industries of its investment in common stock of Stream, Inc. are less than $500,580, liabilities and obligations in an amount equal to the sum of (x) such shortfall and (y) the Carrying Cost of such investment from and after December 31, 1995.

(v) in the case of Industries, (x) the first $4,500,000 of liabilities and obligations payable in connection with the settlement following December 31, 1995 of Bluewater Insurance, Ltd. claims arising under the treaties listed on Schedule 3.1(a)(v) and (y) liabilities and obligations payable in connection with the settlement following December 31, 1995 of such Bluewater Insurance, Ltd. claims in excess of the second $4,500,000 of such liabilities and obligations; and

(vi) liabilities and obligations incurred by such party and its Covered Persons with respect to periods beginning after the Effective Time.

(b) Upon the terms and subject to the conditions of this Agreement, each of Industries, Micro and Entertainment agrees, at the Effective Time, to assume (or retain, as the case may be) 23.01%, 72.84% and 4.15%, respectively, of the following liabilities and obligations:

(i) liabilities and obligations incurred by any party or any of its Covered Persons with respect to periods ending on or prior to the Effective Time arising directly or indirectly as a result of (x) any intentional act which is tortious or (y) any illegal act, in either case committed by a corporate officer of Industries (except for actions that are believed by such person to be in furtherance of his duties as an officer or employee of Micro, Entertainment, any of their respective Covered Persons or a Covered Person of Industries), or any other employee of Industries whose responsibilities are not primarily associated with Micro, Entertainment, any of their respective Covered Persons or a Covered Person of Industries;

(ii) general corporate level liabilities and obligations recorded under Industries' internal accounting system as "home office" liabilities in excess of an aggregate amount of $100,000 incurred by Industries with respect to periods ending on or prior to the Effective Time to the extent that such liabilities and obligations (x) are not attributable to Micro, Entertainment, any of their respective Covered Persons or any Covered Person of Industries, (y) have not been reserved for on the December 31, 1995 balance sheet of any Ingram Company and (z) are extraordinary and non-recurring in nature and arise other than in the ordinary course of business (in which case, all of such liabilities and obligations in excess of $1.00 shall be assumed or retained pursuant to this Section 3.1(b)(ii) and Industries shall be reimbursed for any excess amounts paid in respect of such liabilities and obligations pursuant to Section 3.1(a)(iii));

(iii) (x) liabilities and obligations, to the extent accrued on December 31, 1995 (and not otherwise included in amounts to be allocated to the parties hereto pursuant to the provisions of Section 6.5 or Section 7.12 of the Exchange

Agreement), incurred by Industries under the Ingram Industries Inc. Supplemental Executive Retirement Plan and the Ingram Supplemental Thrift Plan in respect of E. Bronson Ingram, Neil N. Diehl, Linwood A. Lacy, Jr., John M. Donnelly, David F. Sampsell and Philip M. Pfeffer and (y) liabilities and obligations incurred by Industries in an amount equal to (A) the aggregate purchase price paid by Industries for up to 135,000 shares of common stock of Micro purchased by Industries in the initial public offering of Micro common stock, plus (B) if Industries does not purchase 135,000 shares of Micro common stock in such initial public offering, the product of (1) 135,000, less the number of shares actually purchased in such initial public offering, and (2) the price of one share of Micro common stock sold in such initial public offering;

(iv) liabilities and obligations incurred by Industries in an amount equal to the loss recognized in connection with the disposition and winding up of the business by Industries of Ingram Merchandising Services Inc. ("IMS") to the extent that such loss causes the equity of IMS as reported on a stand alone basis to be less than $8,956,000;

(v) liabilities and obligations incurred by Industries in an amount equal to the sum of (x) the loss recognized in connection with the disposition by Industries of its partnership interest in Magnolia Coal Terminal ("Magnolia") or a disposition by Magnolia of all or substantially all of its assets (which loss shall be calculated after taking into account (A) expenses incurred, and indemnification payments received, after December 31, 1995 in connection with environmental matters relating to such investment, (B) distributions received after December 31, 1995 in respect of such investment and (C) contributions made after December 31, 1995 with respect to such investment) and (y) the Carrying Cost of such investment from and after December 31, 1995;

(vi) liabilities and obligations up to an aggregate amount of $4,500,000 payable in connection with the settlement following December 31, 1995 of Bluewater Insurance, Ltd. claims arising under the treaties set forth on Schedule 3.1(a)(v), in excess of the first $4,500,000 of such liabilities and obligations; and

(vii) liabilities and obligations up to an aggregate amount of $2,500,000 incurred by Industries or Ingram Ohio Barge Co. ("IOBC") pursuant to the guarantees by Industries and IOBC of the obligations of IOBC under the 1974 charter agreement with Mellon Bank, as Owner Trustee, and the 1975 charter agreement with Fleet National Bank of Connecticut (formerly U.S. Trust), as such guarantees may be amended, modified or supplemented from time to time.

(c) Notwithstanding anything herein to the contrary, each party hereto agrees that, following the Effective Time and prior to the Second Closing, Industries and Entertainment will be liable on a joint and several basis for the obligations of Industries and Entertainment under Section 3.1(a) and 3.1(b).

(d) Without limiting the generality of the last sentence of Section 7.6, nothing in this Agreement shall be deemed to give rise to, or accelerate the performance of, any obligation of any party owing to a Person other than a party to this Agreement.

SECTION 3.2. Certain Contingent Assets. Upon the terms and subject to the conditions of this Agreement, the parties hereto agree that each of the following assets shall be allocated 23.01% to Industries, 72.84% to Micro and 4.15% to Entertainment:

(i) the amount by which the gain recognized in connection with the disposition by Industries of its partnership interest in Magnolia or a disposition by Magnolia of all or substantially all of its assets (which gain shall be calculated after taking into account (x) expenses incurred, and indemnification payments received, after December 31, 1995 in connection with environmental matters relating to such investment, (y) distributions received after December 31, 1995 in connection with such investment and (z) contributions made after December 31, 1995 with respect to its investment in Magnolia) exceeds the Carrying Cost of such investment from and after December 31, 1995;

(ii) the amount by which the proceeds recognized by Industries in connection with the disposition by Industries of its investment in common stock of Stream, Inc. as of December 31, 1995 exceed the sum of (x) $500,580 plus (y) the Carrying Cost of such investment from and after December 31, 1995; and

(iii) the amount of net cash flow distributed to Industries resulting from the sale and liquidation of the ownership interest of Ingram Petroleum Service Inc. ("IPSI") in Ingram Cactus Company ("Cactus") (net of applicable income taxes and after liquidation of assets and liabilities of IPSI inclusive of the cost of liquidating the Cactus subsidiaries), minus the book value (net equity of IPSI calculated in accordance with generally accepted accounting principles at December 31, 1995), minus the Carrying Cost of Industries' equity investment in IPSI from and after December 31, 1995. It is understood and agreed by the parties that (1) an initial allocation of the net amount referred to in this clause (iii) shall be made among the parties 30 days after final determination of the working capital adjustment as

provided for in Section 1.11 (a) of the Purchase Agreement (the "Cooper Agreement") with Cooper Cameron dated March 28, 1996, which shall provide for Cactus' remaining unliquidated liabilities and (2) a final allocation among the parties shall be made at such time thereafter as all significant liabilities have been resolved or the parties have mutually agreed on final provisions for all significant unresolved liabilities; provided that the parties shall use all reasonable efforts to cause such liabilities to be resolved no later than 24 months after consummation of the transactions contemplated by the Cooper Agreement.

SECTION 3.3. Certain Adjustments.

(a) Notwithstanding anything herein to the contrary, the parties agree that, in consideration of distributions to Industries previously made by Micro and Entertainment, no amounts shall be allocated to, and no liabilities or obligations shall be assumed or borne by, Micro or Entertainment pursuant to Section 6.5(a) or Section 7.12 of the Exchange Agreement or pursuant to Article 3 of this Agreement, until the aggregate of such amounts, costs, expenses, liabilities and obligations shall exceed $20,778,000, in the case of Micro, or $1,160,000, in the case of Entertainment, in which event such allocation or assumption shall be made only to the extent of such excess. To the extent that the aggregate of such costs, expenses, liabilities and obligations is less than $20,778,000 in the case of Micro, or $1,160,000 in the case of Entertainment, Industries shall make a payment in the amount of such difference to Micro or Entertainment, as the case may be.

(b) Notwithstanding anything herein to the contrary, the amount of any gain or loss to be allocated among the Ingram Companies pursuant to this Article 3 shall be determined after taking into account the actual tax consequences of the recognition of such gain or loss to the party recognizing such gain or loss (which consequences shall include, in the case of any such gain, the amount of any tax imposed thereon and, in the case of any such loss, any deduction to which such party becomes entitled as a result thereof).

ARTICLE 4

GENERAL COVENANTS

Each party hereto agrees that:

SECTION 4.1. Conduct of the Business. From September 4, 1996 until the Second Closing (or, with respect to Micro, until the Effective Time), such party shall conduct its business in the ordinary course consistent with past practice and the published policies and procedures of the Ingram Companies and use its best efforts to preserve intact the business organizations and relationships with third parties and keep available the services of the present employees of its business. Without limiting the generality of the foregoing, from September 4, 1996 until the Second Closing (or, with respect to Micro, until the Effective Time) and except in connection with the transactions contemplated hereby or by the Ancillary Agreements (or, with respect to actions taken prior to the Effective Time, as otherwise approved by the board of directors of Industries), such party will not:

(a) enter into any lease, contract, agreement, commitment, arrangement or transaction, other than in the ordinary course of business consistent with past practice;

(b) sell, lease, license or otherwise dispose of any assets except (i) pursuant to existing contracts or commitments or (ii) in the ordinary course of business consistent with past practice;

(c) modify, amend, cancel, terminate, forfeit, assign or encumber in any material manner, other than in the ordinary course of business consistent with past practice, any existing material franchise, license, permit, consent, authority, operating right, lease, contract, agreement, commitment or arrangement;

(d) incur, assume or guarantee any indebtedness for borrowed money other than in the ordinary course of business consistent with past practice;

(e) declare, set aside or pay any dividend or other distribution with respect to any shares of capital stock, or issue, repurchase, redeem or otherwise acquire any outstanding shares of capital stock or other ownership interests, other than in the ordinary course of business consistent with past practice;

(f) amend any material term of any outstanding security;

(g) create or assume any lien on any material asset other than in the ordinary course of business consistent with past practice;

(h) make any loan, advance or capital contribution to or investment in any Person other than loans, advances or capital contributions to or investments in wholly-owned subsidiaries or employees or as otherwise made in the ordinary course of business consistent with past practice;

(i) (A) grant any severance or termination pay to any director or officer, (B) enter into any individual employment, deferred compensation or other similar agreement (or any amendment to any such existing agreement) with any director, officer or employee, (C) change benefits payable under existing severance or termination pay policies or employment agreements or (D) change compensation, bonus or other benefits

payable to directors, officers or employees, other than, in the case of each of clauses (A) through (D) above, in the ordinary course of business consistent with past practice; or

(j) agree or commit to do any of the foregoing.

SECTION 4.2. Access; Confidentiality. (a) Each party will, at and after the Effective Time, afford to each other party and its agents reasonable access to its properties, books, records, employees and auditors to the extent necessary to permit such other party to determine any matter relating to its rights and obligations hereunder or to any period ending at or before the Effective Time. Each of Industries and Entertainment will, at and after the Second Closing, afford to the other and its agents reasonable access to its properties, books, records, employees and auditors to the extent necessary to permit such other party to determine any matter relating to its rights and obligations hereunder or to any period ending at or before the Second Closing.

(b) After the Effective Time, each party will hold, and will use its best efforts to cause its respective officers, directors, employees, accountants, counsel, consultants, advisors, agents and Affiliates to hold, in confidence, unless compelled to disclose by judicial or administrative process or by other requirements of law, all confidential documents and information concerning the business of the other parties, except (i) to the extent that such information can be shown to have been (A) in the public domain through no fault of such party or (B) later lawfully acquired by such party on a non-confidential basis or (ii) to the extent that such documents and information are required to be furnished to the lenders of such party in connection with guarantees of indebtedness owing to such lenders that are furnished by such other parties. The obligation of such party and its Affiliates to hold any such information in confidence shall be satisfied if they exercise the same care with respect to such information as they would take to preserve the confidentiality of their own similar information.

SECTION 4.3. Best Efforts; Further Assurances. Subject to the terms and conditions of this Agreement, the parties hereto will use their best efforts (but without the payment of money) to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under applicable laws and regulations to consummate the transactions contemplated by this Agreement and the Ancillary Agreements. Each party agrees to execute and deliver such other documents, certificates, agreements and other writings and to take such other actions as may be reasonably necessary or desirable in order to consummate or implement expeditiously the transactions contemplated by this Agreement and the Ancillary Agreements.

SECTION 4.4. Loans; Repurchase Agreements. (a) Loans that have been made by Industries to certain employees of Micro and Entertainment shall be transferred by Industries as of the Effective Time to Micro (with respect to employees of Micro) and to Entertainment (with respect to employees of Entertainment), in each case in consideration for the principal balance (plus accrued interest) of each such loan. Loans that have been made after the Effective Time by Industries to certain employees of Entertainment shall be transferred by Industries as of the Second Closing to Entertainment, in consideration for the principal balance (plus accrued interest) of each such loan.

(b) At or prior to the Effective Time, Micro shall enter into bank repurchase agreements effective as of the Effective Time with respect to the Micro securities to be received pursuant to the Exchange Agreement in exchange for shares of Industries Common Stock (the "Currently Pledged Stock") currently pledged as collateral for loans made by First American National Bank, NationsBank, N.A. or NationsBank of Tennessee, N.A. to certain stockholders of Industries. At or prior to the Second Closing, Entertainment shall enter into bank repurchase agreements effective as of the Second Closing with respect to the Entertainment securities to be received pursuant to the Exchange Agreement in exchange for shares of Currently Pledged Stock. Such repurchase agreements shall be in form and substance satisfactory to Micro or Entertainment, as the case may be, it being understood that such repurchase agreements shall be similar to Industries' current bank repurchase agreements. Industries shall be released from its obligations under Industries' current bank repurchase agreements with respect to the Currently Pledged Stock exchanged in the Exchange. Such release shall be effective at the Effective Time (with respect to shares of Currently Pledged Stock exchanged pursuant to the Exchange Agreement at the Effective Time) and at the Second Closing (with respect to shares of Currently Pledged Stock exchanged pursuant to the Exchange Agreement at the Second Closing).

SECTION 4.5. Cross-Guarantees. Each of Industries and Entertainment hereby agrees, upon the request of Micro, to guarantee, for the fees and on the other terms and conditions set forth on Schedule 4.5, (i) indebtedness incurred by Micro pursuant to credit facilities of Micro entered into at or prior to the Effective Time or pursuant to any replacements, refinancings or renewals thereof which do not increase the aggregate amount of the indebtedness guaranteed and are on terms substantially the same as the prior facilities or otherwise reasonably acceptable to Industries and Entertainment, (ii) indebtedness incurred by Micro the proceeds of which are used by Micro to repay indebtedness owing to Industries, Entertainment or their respective Subsidiaries and (iii) amounts payable by Micro under the Master Lease dated as of December 20, 1995 by and between Lease Plan North America, Inc. and Ingram Micro L.P. Commencing at the Effective Time, Micro shall reimburse Entertainment or Industries, as the case may be, for the difference between (x) the actual cost of indebtedness incurred by Entertainment or Industries in connection with any type of financing transaction (up to an amount of such financing equal to the amount of indebtedness guaranteed by Entertainment or Industries, as the case may be), and the amount which such portion of such

financing would have cost had all such guarantees been released at such time and (y) any increased cost of existing indebtedness of Industries or Entertainment arising as a result of the failure to have all guarantees released at such time. Each of Entertainment and Industries agrees to give Micro 75 days prior written notice of the incurrence by it of any indebtedness (other than indebtedness incurred pursuant to facilities entered into as of the Effective Time) subject to reimbursement as described above. Such written notice shall set forth the proposed amount of such indebtedness and shall specify the material terms and conditions of such indebtedness being proposed at such time, to the extent known by Entertainment or Industries at the time of such notice. Fees payable to Industries and Entertainment pursuant to Schedule 4.5 for any month shall be allocated between them in accordance with their relative book values as of the end of the prior month.

SECTION 4.6. Public Announcements. The parties agree to consult with each other before issuing any press release or making any public statement with respect to this Agreement, the Ancillary Agreements or the consummation of the transactions contemplated hereby and thereby and, except as may be required by applicable law or any listing agreement with any national securities exchange, will not issue any such press release or make any such public statement without the prior written consent of all of the parties hereto, which will not unreasonably be withheld.

SECTION 4.7. Notices of Certain Events. Each party hereto shall promptly notify each other party of:

(i) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(ii) any notice or other communication from any governmental or regulatory agency or authority in connection with the transactions contemplated by this Agreement;

(iii) any actions, suits, claims, investigations or proceedings commenced or, to its knowledge threatened, against, relating to or involving or otherwise affecting such party challenging this Agreement or any Ancillary Agreement or the transactions contemplated hereby or thereby or seeking to prohibit, alter, prevent or materially delay the Effective Time; and

(iv) any materially adverse developments affecting the business and operations of such party which become known to it, including without limitation any change which has had or is reasonably likely to have a Material Adverse Effect on such party.

ARTICLE 5

SURVIVAL; INDEMNIFICATION

SECTION 5.1. Survival. The representations and warranties of the parties hereto contained in this Agreement or in any certificate or other writing delivered pursuant hereto or in connection herewith shall not survive the Effective Time. The covenants and agreements to be performed hereunder shall remain in full force and effect in accordance with their terms (or, if no survival period is specified, indefinitely). Notwithstanding the preceding sentence, any covenant or agreement in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to the preceding sentence, if notice of the breach thereof giving rise to such right to indemnity shall have been given to the party against whom such indemnity may be sought prior to such time.

SECTION 5.2. Indemnification. Each party hereby indemnifies each other party and its Affiliates against and agrees to hold each of them harmless from any and all damage, loss, liability and expense (including without limitation reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, suit or proceeding, including any expenses incurred in connection with the enforcement of rights of any party pursuant to this Agreement) (collectively, "Loss") incurred or suffered by such other party or any of its Affiliates arising out of:

(i) any breach of any covenant or agreement to be performed by such party pursuant to this Agreement; and

(ii) the failure of such party to perform its obligations with respect to any liability assumed (or retained) by such party pursuant to Section 3.1.

SECTION 5.3. Procedures. (a) The party seeking indemnification under Section 5.2 (the "Indemnified Party") shall give prompt written notice to the party against whom indemnity is sought (the "Indemnifying Party") of any claim, assertion, event or proceeding of which such Indemnified Party has knowledge concerning any Loss as to which such Indemnified Party may request indemnification under such Section; provided that the failure to give such notice shall not relieve the Indemnifying Party from any liability under Section 5.2, except to the extent that the Indemnifying Party has been prejudiced by such failure.

(b) With respect to any such claim or proceeding by or in respect of a third party, the Indemnifying Party shall have the right to direct, through counsel of its own choosing, reasonably satisfactory to the Indemnified Party, the defense or settlement thereof at its own expense. If the Indemnifying Party elects to assume the defense of any such claim or

proceeding, the Indemnifying Party thereby waives its right to contest its obligation to indemnify the Indemnified Party pursuant to this Section with respect to such claim or proceeding and the Indemnified Party may participate in such defense, but in such case the expenses of the Indemnified Party shall be paid by the Indemnified Party. The Indemnified Party shall provide the Indemnifying Party with reasonable access to its records and personnel relating to any such claim, assertion, event or proceeding during normal business hours and shall otherwise cooperate with the Indemnifying Party in the defense or settlement thereof, and the Indemnifying Party shall reimburse the Indemnified Party for all of its reasonable out-of-pocket expenses in connection therewith. Upon assumption of the defense of any such claim or proceeding by the Indemnifying Party, the Indemnified Party shall not pay, or permit to be paid, any part of any claim or demand arising from such asserted liability for so long as the Indemnifying Party is diligently defending such claim or demand, unless the Indemnifying Party consents in writing to such payment or unless a final judgment from which no appeal may be taken is entered against the Indemnified Party for such liability. If the Indemnifying Party shall fail to assume and pursue the defense, the Indemnified Party shall have the right to undertake the defense or settlement thereof at the Indemnifying Party's expense (subject to the liability of the Indemnifying Party pursuant to Section 5.2). No third party claim may be settled by the Indemnified Party without the written consent of the Indemnifying Party, which consent shall not be unreasonably withheld. Any such settlement shall include as an unconditional term thereof the giving by the claimant or the plaintiff to the Indemnified Party of a release of the Indemnified Party from all liability in respect of such claim; provided that if the Indemnifying Party submits to the Indemnified Party a bona fide settlement offer from the third party claimant of any claim (which settlement offer shall include as an unconditional term of it the release by the claimant or the plaintiff to the Indemnified Party from all liability in respect of such claim) and the Indemnified Party refuses to consent to such settlement, then thereafter the Indemnifying Party's liability to the Indemnified Party for indemnification with respect to such claim shall not exceed the settlement amount included in said bona fide settlement offer, and the Indemnified Party shall either assume the defense of such claim or pay the Indemnifying Party's attorney's fees and other out-of-pocket costs incurred thereafter in continuing the defense of such claim.

(c) Each payment made pursuant to Section 5.2 of an amount equal to $1,000,000 or more shall be made promptly following final determination of such claim and each such payment of an amount of less than $1,000,000 shall be made no later than the end of the calendar quarter next following the date on which the amount of such claim was finally determined. Any such payment shall be limited to the amount of any liability or damage that remains after deducting therefrom any indemnity, contribution or other similar payment recoverable by the Indemnified Party from any third party with respect thereto.

ARTICLE 6

TERMINATION

SECTION 6.1. Grounds for Termination. This Agreement shall terminate in its entirety upon the termination of the Exchange Agreement pursuant to Section 7.6(a) of the Exchange Agreement. Section 4.1 of this Agreement shall terminate upon the termination of the Exchange Agreement pursuant to Section 7.6(b) of the Exchange Agreement.

SECTION 6.2. Effect of Termination. If this Agreement is terminated as permitted by Section 6.1, such termination shall be without liability of any party (or any stockholder, director, officer, employee, agent, member, consultant or representative of such party) to the other parties to this Agreement.

ARTICLE 7

MISCELLANEOUS

SECTION 7.1. Headings. The headings in this Agreement are for convenience of reference only and shall not control or affect the meaning or construction of any provision hereof.

SECTION 7.2. Entire Agreement. This Agreement, the Ancillary Agreements, the Exchange Agreement, the Related Agreements (as defined in the Exchange Agreement) and the Board Representation Agreement (as defined in the Exchange Agreement) constitute the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein. This Agreement and such other agreements supersede all prior agreements and understandings between the parties hereto with respect to the subject matter hereof and thereof.

SECTION 7.3. Notices. Any notice, request, instruction or other document to be given hereunder by any party hereto to another party hereto shall be in writing (including telecopier or similar writing) and shall be given to such party at its address set forth on the signature pages hereof, or to such other address as the party to whom notice is to be given may provide in a written notice to the party giving such notice, a copy of which written notice shall be on file with the Secretary of Industries. If notice is given pursuant to this Section of a permitted successor or assign of a party to this Agreement, then notice shall thereafter be given as set forth above to such successor or assign of such party to this Agreement. Each such notice, request or other communication shall be effective (i) if given by telecopy, when such telecopy is transmitted to the telecopy number specified on the signature pages hereof and electronic or oral confirmation of receipt is received, (ii) if given

by mail, at the close of business on the third business day hours after such communication is deposited in the mails with first class postage prepaid addressed as aforesaid or (iii) if given by any other means, when delivered at the address specified in this Section 7.3.

SECTION 7.4. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee without regard to the conflicts of law rules of such state.

SECTION 7.5. Severability. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of this Agreement, including any such provision, in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

SECTION 7.6. Successors, Assigns, Transferees. No party may assign or otherwise transfer any of its rights under this Agreement without the consent of each other party. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns. Neither this Agreement nor any provision hereof shall be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement, those who agree to be bound hereby and their respective successors and permitted assigns.

SECTION 7.7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 7.8. Amendments and Waivers. (a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

SECTION 7.9. Consent to Jurisdiction. Each party hereto irrevocably submits to the non-exclusive jurisdiction of any Tennessee State Court or United States Federal Court sitting in the Middle District of Tennessee over any suit, action or proceeding arising out of or relating to this Agreement. Each party hereto waives any right it may have to assert the doctrine of forum non conveniens or to object to venue to the extent any proceeding is brought in accordance with this Section 7.9. Nothing in this paragraph shall affect or limit any right to serve process in any manner permitted by law, to bring proceedings in the courts of any jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

INGRAM INDUSTRIES INC.

By: /s/ John R. Ingram

Name: John R. Ingram
Title: Co-President
One Belle Meade Place
4400 Harding Road
Nashville, TN 37205
Telecopy: (615) 298-8242

INGRAM MICRO INC.

By: /s/ Jeffrey R. Rodek

Name: Jeffrey R. Rodek
Title: President
1600 East Saint Andrew Place
Santa Ana, CA 92705
Telecopy: 714-566-7900

INGRAM ENTERTAINMENT INC.

By: /s/ David B. Ingram

Name: David B. Ingram

Title: Chairman & President
Two Ingram Blvd.
La Vergne, TN 37086
Telecopy: 615-287-4985

EXHIBIT 10.14

REGISTRATION RIGHTS AGREEMENT

AGREEMENT dated as of November 6, 1996 among Ingram Micro Inc., a Delaware corporation ("MICRO"), and the Persons listed on the signature pages hereof.

In connection with the closing of the transactions contemplated by the Restated Exchange Agreement (the "EXCHANGE AGREEMENT") dated as of September 4, 1996 as amended and restated as of October 17, 1996, among Ingram Industries Inc. ("INDUSTRIES"), Ingram Entertainment Inc. ("ENTERTAINMENT"), Micro and the Persons listed on the signature pages thereof, the parties hereto (other than Micro) acquired shares of common stock of Micro; and

WHEREAS, Micro has agreed to grant the other parties hereto certain rights to register such shares of common stock as provided herein;

NOW, THEREFORE, in consideration of the mutual promises set forth below (the mutuality, adequacy and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

SECTION 1.01. Definitions. (a) The following terms, as used herein, have the following meanings:

"AFFILIATE" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, such Person. For the purposes of this definition, "control" when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"BUSINESS DAY" means any day except a Saturday, Sunday or any other day on which commercial banks in the City of New York are authorized by law to close.

"COMMISSION" means the Securities and Exchange Commission.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended.

"FAMILY STOCKHOLDER" means each of the Family Stockholders set forth on Annex I hereto.

"GRANTEE" means each Person (other than a Holder) to whom Micro has granted registration rights.

"HOLDERS" means each of the parties to this Agreement (other than Micro) and any other Person, who, pursuant to the terms hereof, shall become a party to or agree to be bound by the terms of this Agreement after the date hereof.

"INGRAM STOCKHOLDER" means each Family Stockholder, the Qtip Trust, the E. Bronson Ingram 1995 Charitable Remainder 5% Unitrust, the Martha and Bronson Ingram Foundation, the E. Bronson Ingram 1994 Charitable Lead Annuity Trust and the Permitted Transferees of each of such Persons.

"MICRO CLASS A COMMON STOCK" means the Class A Common Stock, par value $0.01 per share, of Micro.

"PERMITTED TRANSFEREE" means, (A) with respect to any Ingram Stockholder, (i) any Affiliate of such Ingram Stockholder, (ii) the spouse or descendants (including adopted Persons and their descendants) of such Ingram Stockholder, their estates, or trusts for the benefit of such Ingram Stockholder, Affiliate, spouse or descendants or (iii) any other Holder, (B) with respect to the Ingram Thrift Plan, (i) any Participant (as defined in the Employee Benefits Transfer, Assumption and Services Agreement of even date herewith among Industries, Micro and Entertainment (the "BENEFITS TRANSFER AGREEMENT")) or (ii) the Micro Thrift Plan or the Entertainment Thrift Plan (each as defined in the Benefits Transfer Agreement) in connection with any Transfer of Micro common stock to the Micro Thrift Plan or Entertainment Thrift Plan, respectively, pursuant to Section 3.01 of the Benefits Transfer Agreement and (C) with respect to any other Holder, the spouse or descendants (including adopted Persons and their descendants) of such Holder, their estates, or trusts or other entities solely for the benefit of such Holder, spouse or descendants; provided that each such transferee shall have executed and delivered to Micro an instrument substantially in the form of Exhibit A hereto pursuant to which the transferee shall have agreed to be bound by the terms of this Agreement.

"PERSON" means an individual, corporation, partnership, limited liability company, trust, association or any other entity or organization.

"PUBLIC OFFERING" means any public offering of equity securities of Micro pursuant to an effective registration statement under the Securities Act other than

pursuant to a registration statement on Form S-4 or Form S-8 or any successor or similar form.

"QTIP TRUST" means the E. Bronson Ingram Qtip Marital Trust.

"REGISTRABLE SECURITIES" means any shares of Micro Class A Common Stock now or hereafter acquired by the Holders or by any Permitted Transferee of any such Holder and any shares of Micro Class A Common Stock issued with respect to any Registrable Securities including, without limitation, by way of a stock split or stock dividend, in connection with a recapitalization or a merger, consolidation or other reorganization, or pursuant to a distribution; provided that (A) such securities shall cease to be Registrable Securities if and when (i) a registration statement with respect to the disposition of such securities shall have become effective under the Securities Act and such securities shall have been disposed of pursuant to such effective registration statement, (ii) such securities shall have been sold under circumstances in which all of the applicable conditions of Rule 144 (or any similar provisions then in force) are met or (iii) such shares shall have ceased to be outstanding securities and (B) in addition to clause (A) above, securities requested to be registered by Holders (other than the Ingram Stockholders) pursuant to Section 2.02 shall cease to be Registrable Securities if and when such securities may be sold pursuant to Rule 144(k) or otherwise in the public market without being registered pursuant to the Securities Act; provided further that any such shares that have ceased to be Registrable Securities cannot thereafter become Registrable Securities, and securities that are issued or distributed by way of dividends in respect of such shares of Micro Class A Common Stock that have ceased to be Registrable Securities shall not be Registrable Securities.

"REGISTRATION EXPENSES" means all (i) registration and filing fees, (ii) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of a qualified independent underwriter, if any, counsel in connection therewith and the reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities), (iii) printing expenses, (iv) internal expenses of Micro (including, without limitation, all salaries and expenses of officers and employees performing legal or accounting duties), (v) fees and disbursements of counsel for Micro, (vi) customary fees and expenses for independent certified public accountants retained by Micro (including the expenses of any comfort letters or costs associated with the delivery by independent certified public accountants of a comfort letter or comfort letters), (vii) fees and expenses of any special experts retained by Micro in connection with such registration, (viii) fees and expenses of listing the Registrable Securities on a securities exchange and (ix) customary fees and disbursements (in light of the time and effort required and the complexity of the matters addressed) of one separate firm of attorneys (in addition to any local counsel) for the Holders (which counsel shall be selected by the Qtip Trust, the Initiating Family Stockholders, or Demanding Holders owning a majority of the Registrable Securities requested to be included in such

registration by all Demanding Holders (in the case of any registration requested by the Qtip Trust, the Initiating Family Stockholders or the Demanding Holders, respectively, pursuant to Section 2.01)), or the Holder selling securities constituting the largest number of securities included in such registration by any Holder (in the case of any registration pursuant to Section 2.02) and shall be reasonably acceptable to Micro; but shall not include any underwriting fees or discounts or commissions attributable to the sale of Registrable Securities.

"RULE 144" means Rule 144 under the Securities Act.

"SECURITIES ACT" means the Securities Act of 1933, as amended.

(b) Each of the following terms is defined in the Section set forth opposite such term:

TERM	SECTION
Change of Control Date	2.01
Demanding Holders	2.01
Disadvantageous Condition	2.01
Indemnified Party	2.07
Indemnifying Party	2.07
Initiating Family Stockholders	2.01
Inspectors	2.04
Maximum Offering Size	2.01
Priority Holder	2.02
Priority Securities	2.02
Records	2.04
Section 2.01 Holders	2.01

ARTICLE 2

REGISTRATION RIGHTS

SECTION 2.01. Demand Registration.

(a) Registration on Request. If following the initial Public Offering, the Qtip Trust desires to effect the registration under the Securities Act of outstanding Registrable Securities, the Qtip Trust may make a written request that Micro effect the registration under the Securities Act of all or any portion of the outstanding Registrable Securities of the Qtip Trust and any or all of the other Ingram Stockholders. If following the initial Public Offering, the Family Stockholders desire to effect the registration under the Securities Act of outstanding Registrable Securities, Family Stockholders (the "INITIATING FAMILY STOCKHOLDERS") holding at least a majority of the outstanding Registrable Securities held by all Family Stockholders may make a written request that Micro effect

the registration under the Securities Act of all or any portion of the outstanding Registrable Securities of such Family Stockholders. If following the initial Public Offering and on any date (the "CHANGE OF CONTROL DATE") prior to the second anniversary of the date hereof, the Ingram Stockholders transfer, in one transaction or a series of related transactions, shares of Micro common stock and if, after giving effect to such transfer, the Ingram Stockholders cease to own shares of Micro common stock representing a majority of the number of votes for the election of directors represented by all of the shares of Micro common stock outstanding on such date, the Holders (other than the Ingram Stockholders) of at least a majority of the outstanding Registrable Securities held by all Holders (other than the Ingram Stockholders) prior to the Change of Control Date (the "DEMANDING HOLDERS") may, prior to the second anniversary of the date hereof, make a written request that Micro effect the registration under the Securities Act of all or any portion of the outstanding Registrable Securities of such Holders; provided that the Demanding Holders shall not be entitled to request any such registration if such Demanding Holders were offered the opportunity to participate in such transfer by the Ingram Stockholders generally on the same terms and conditions as the Ingram Stockholders. The Qtip Trust, the Initiating Family Stockholders and the Demanding Holders are sometimes hereinafter referred to together as the "SECTION 2.01 HOLDER". Any request for registration made pursuant to this Section 2.01 will specify the number of shares of Registrable Securities proposed to be sold and will also specify the intended method of disposition thereof; provided that Micro shall not be obligated to (x) effect any shelf registration of Registrable Securities pursuant to Rule 415 under the Securities Act, (y) register Registrable Securities (i) representing less than 10% of the outstanding Registrable Securities or (ii) if the Ingram Stockholders (in the case of any registration requested by the Qtip Trust), the Initiating Family Stockholders (in the case of any registration requested by the Initiating Family Stockholders) or the Demanding Holders (in the case of any registration requested by the Demanding Holders) hold less than 10% of the outstanding Registrable Securities, unless the underwriter determines that the net proceeds of any registration of such Registrable Securities are expected to be at least $25,000,000 or (z) effect any such registration requested by the Qtip Trust or the Initiating Family Stockholders, unless the Qtip Trust or the Initiating Family Stockholders have furnished Micro with an opinion of counsel in form and substance reasonably satisfactory to Micro to the effect that the requested registration and sale of Registrable Securities will not adversely affect the tax-free nature of the transactions contemplated by the Exchange Agreement or the Amended and Restated Reorganization Agreement dated as of September 4, 1996 as amended and restated as of October 17, 1996 among Industries, Entertainment and Micro. In any such opinion counsel may rely, to the extent they may do so in good faith, upon representations that the trustees of the Qtip Trust and other Holders had no plan or intention of selling the Micro common stock received in the transactions at the time the transactions were effected and that the decision to sell such stock pursuant to exercise of the demand registration right was based upon considerations which arose subsequent to the transactions. Micro will promptly give written notice of such requested registration to all other Holders and each Grantee, and,

subject to Section 2.01(f) hereof, thereupon will use its best efforts to effect, as promptly as practicable, the registration under the Securities Act of:

(i) the Registrable Securities which Micro has been so requested to register by the Section 2.01 Holder; and

(ii) all other Registrable Securities which Micro has been requested to register by any other Holder pursuant to Section 2.02, by written request received by Micro within ten Business Days after the giving of such written notice by Micro, and all other securities which Micro has been requested to register pursuant to an agreement entered into with a Grantee;

all to the extent necessary to permit the disposition (in accordance with the intended methods thereof as aforesaid) of the Registrable Securities so to be registered; provided that:

(X) Micro shall not be obligated to file a registration statement relating to a registration request made by the Qtip Trust pursuant to this Section 2.01 more than once during any 12-month period or sooner than three months following the effective date of a Public Offering in which the Qtip Trust and the other Ingram Stockholders were entitled to include Registrable Securities, unless the number of Registrable Securities requested to be included in such Public Offering by the Qtip Trust and the other Ingram Stockholders was in excess of 125% of the number of such Registrable Securities actually included;

(Y) Except as otherwise specifically provided herein, Micro shall in no event be obligated to effect more than three registrations requested by the Qtip Trust pursuant to this Section 2.01, more than one registration requested by the Initiating Family Stockholders pursuant to this Section 2.01, or more than one registration requested by the Demanding Holders pursuant to this Section 2.01. Except as otherwise specifically provided herein, none of such regististrations may be requested after the expiration of 84 months following the initial Public Offering;

(Z) with respect to any registration statement filed or to be filed pursuant to this Section 2.01, if the Board of Directors of Micro shall determine, in its good faith judgment, that to maintain the effectiveness of such registration statement or to permit such registration statement to become effective (or, if no registration statement has yet been filed, to file such a registration statement) would be significantly disadvantageous to Micro (a "DISADVANTAGEOUS CONDITION"), Micro may, for the shortest period possible but not more than a period of 120 days from the date of the Board's determination, cause such registration statement to be withdrawn and the effectiveness of such registration

statement to be temporarily suspended or, if no registration statement has yet been filed, delay the filing of such registration statement.

Promptly after the expiration of the ten Business Day period referred to in clause (ii) above, Micro shall notify each holder of Registrable Securities to be included in the registration of the other Holders and Grantees requesting securities to be included therein and the number of shares requested to be included therein. The Qtip Trust, or the Initiating Family Stockholders or Demanding Holders owning a majority of the Registrable Securities requested to be included in such registration by all Initiating Family Stockholders or Demanding Holders, respectively, may, at any time prior to the effective date of the registration statement relating to such registration, revoke such request, without liability (except as set forth below) to any other Holder holding Registrable Securities requested to be registered pursuant to clause (ii) above or any Grantee, by providing a written notice to Micro revoking such request; provided that, if as a result thereof such registration is abandoned, all Registration Expenses and all other fees and expenses reasonably incurred by other Holders and Grantees including securities in such registration shall be borne by the Section 2.01 Holder, on a pro rata basis (in the case of any such registration requested by the Initiating Family Stockholders or Demanding Holders) according to the relative number of shares requested to be included in such registration by each such Initiating Family Stockholder or Demanding Holder, respectively. If Micro determines to take any action pursuant to clause (Z) above, Micro shall deliver a notice to the Section 2.01 Holder and to any holder of securities being sold pursuant to an effective registration statement to such effect. Upon the receipt of any notice delivered as a result of a determination by Micro to take action pursuant to clause (Z) above, such Persons shall forthwith discontinue use of the prospectus contained in such registration statement and, if so directed by Micro, shall deliver to Micro all copies of the prospectus delivered to such Persons then covering such securities current at the time of receipt of such notice (or, if no registration statement has yet been filed, all drafts of the prospectus delivered to such Persons covering such securities). If any Disadvantageous Condition shall cease to exist, Micro shall promptly notify the Section 2.01 Holder (and any other holder whose securities shall have ceased to be sold pursuant to an effective registration statement as a result of such Disadvantageous Condition) to such effect. If so requested by the Section 2.01 Holder, Micro shall, if any registration statement shall have been withdrawn, at such time as it is possible or, if earlier, at the end of the 120-day period following such withdrawal, file a new registration statement covering the securities that were covered by such withdrawn registration statement, and the effectiveness of such registration statement shall be maintained for such time as may be necessary so that the period of effectiveness of such new registration statement, when aggregated with the period during which such withdrawn registration statement was effective, if any, shall be such time as may be otherwise required by this Agreement.

(b) Registration Statement Form. If, pursuant to a registration request under this Section 2.01, Micro proposes to effect registration by filing of a registration statement

on Form S-3 (or any successor or similar short-form registration statement) and any managing underwriter shall advise Micro in writing that, in its opinion, the use of another form of registration statement is of material importance to the success of such proposed offering, then such registration shall be effected on such other form.

(c) Expenses. Except as specifically provided herein, Micro shall pay all Registration Expenses in connection with the registrations which are requested pursuant to this Section 2.01 and all Registration Expenses incurred by Holders of Registrable Securities as a result of Micro's withdrawal or delay of any registration pursuant to Section 2.01(a)(ii)(Z). Each Holder shall pay all underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of such Holder's Registrable Securities pursuant to a registration statement requested pursuant to this Section 2.01.

(d) Effective Registration Statement. A registration requested pursuant to this Section 2.01 shall not be deemed to have been effected until such registration has been effective (and not subject to any stop order, injunction or other order or requirement of the Commission or other governmental agency or court for any reason) for a period of 120 days following the date on which such registration was declared effective, or, if earlier, the date on which all Registrable Securities requested to be registered thereunder have been sold or withdrawn from sale by notice to Micro.

(e) Selection of Underwriters. If any registration pursuant to this Section 2.01 is in the form of an underwritten Public Offering, Micro shall have the right to select the managing underwriter or co-managing underwriters for such Public Offering, which underwriter or underwriters shall be reasonably acceptable to the Qtip Trust, or the Initiating Family Stockholders or Demanding Holders owning a majority of Registrable Securities requested to be included in such registration by all Initiating Family Stockholders or Demanding Holders, respectively.

(f) Maximum Offering Size. If a registration pursuant to this Section 2.1 involves an underwritten Public Offering and the managing underwriter shall advise Micro that, in its view, the number or proposed mix of equity securities requested to be included in such registration (including securities which Micro requests to be included which are not Registrable Securities) exceeds the largest number or appropriate mix of securities (which mix shall in any event give priority to the securities requested to be registered by the Qtip Trust, the Initiating Family Stockholders or the Demanding Holders, as the case may be, in the manner set forth below) which can be sold without having a material adverse effect on such offering (the "MAXIMUM OFFERING SIZE"), including the price at which such securities can be sold, Micro will reduce the number of securities requested to be registered until such registration no longer exceeds the Maximum Offering Size as follows:

(i) first, until such time as the Registrable Securities requested to be included in such registration by all Persons other than the Section 2.01 Holder have been reduced to 50% of the number of Registrable Securities requested to be registered by the Section 2.01 Holder, the Registrable Securities requested to be registered by such Persons shall be reduced on a pro rata basis among them (excluding the Section 2.01 Holder) according to the relative number of shares each such Person has requested to be included in such registration;

(ii) second, until such time as the Registrable Securities requested to be included in such registration by the Section 2.01 Holder have been reduced by 50%, the Registrable Securities requested to be included in such registration by the Section 2.01 Holder pursuant to Section 2.01(a)(i), the Registrable Securities requested to be included in such registration by any other Holders pursuant to Section 2.01(a)(ii) and the securities requested to be included in such registration by Grantees pursuant to the terms of their agreements with Micro shall be reduced on a pro rata basis among them according to the relative number of shares that each such Person has requested to be included in such registration;

(iii) third, any remaining securities requested to be included in such registration by all other Holders pursuant to Section 2.01(a)(ii) and by all Grantees pursuant to the terms of their agreements with Micro shall be reduced on a pro rata basis among them according to the relative number of shares each such Person has requested to be included in such registration; and

(iv) fourth, any remaining Registrable Securities requested to be included in such registration pursuant to Section 2.01(a)(i) by the Section 2.01 Holder shall be reduced.

Any reduction of shares of Registrable Securities made among the shares of Registrable Securities requested to be included in any registration pursuant to Section 2.01(a)(i) by the Qtip Trust shall be made on a basis to be mutually agreed among the Holders of such Registrable Securities. Any such reduction of shares of Registrable Securities requested to be included by the Initiating Family Stockholders or Demanding Holders, respectively, shall be made on a pro rata basis among such Holders according to the relative number of shares each such Holder has requested to be included in such registration.

(g) Subsequent Grants. Micro hereby agrees that it will not (i) at any time after the date hereof, grant to any Person any registration rights that conflict with, or have priority over, the registration rights granted hereby or (ii) grant any registration rights with respect to securities held by any Person which permit such Person to exercise a demand registration right sooner than three months following the effective date of a Public Offering in which such Person was entitled to include securities, unless the number of

securities requested to be included in such Public Offering by such Person was in excess of 125% of the number of such securities actually included.

SECTION 2.02. Incidental ("Piggy-Back") Registration. (a) If, following the initial Public Offering, Micro at any time proposes to register any of its equity securities (the "PRIORITY SECURITIES") under the Securities Act (other than a registration (i) on Form S-8 or S-4 or any successor or similar forms, (ii) relating to shares of common stock issuable upon exercise of stock options or in connection with any employee benefit or similar plan of Micro, (iii) in connection with a direct or indirect acquisition by Micro of another Person or (iv) pursuant to a shelf registration of securities pursuant to Rule 415 under the Securities Act), whether for sale for its own account or for the account of any other Person, in a manner which would permit registration of Registrable Securities for sale to the public under the Securities Act, it will each such time, subject to the provisions of Section 2.02(b), give prompt written notice to the Holders of record holding Registrable Securities of its intention to do so and of such Holders' rights under this Section 2.02, at least 30 days prior to the anticipated filing date of the registration statement relating to such registration. Any such notice shall offer all such Holders the opportunity to include in such registration such number of Registrable Securities as each such Holder may request. Upon the written request of any such Holder made within 20 days after the receipt of notice from Micro (which request shall specify the number of Registrable Securities intended to be disposed of by such Holder and the intended method of disposition thereof), Micro will use its best efforts to effect the registration under the Securities Act and any related qualification or other compliance of all Registrable Securities which Micro has been so requested to register by the Holders thereof, to the extent required to permit the disposition (in accordance with such intended methods thereof) of the Registrable Securities so to be registered; provided that (i) if such registration involves an underwritten Public Offering, all Holders holding Registrable Securities requesting to be included in Micro's registration must sell their Registrable Securities to the underwriters selected by Micro on the same terms and conditions as apply to the Person for whose account the Priority Securities are being sold, (ii) if, at any time after giving written notice pursuant to this Section 2.02 of its intention to register any securities and prior to the effective date of the registration statement filed in connection with such registration, Micro shall determine for any reason not to proceed with such registration (with respect to all of such securities requested to be registered), Micro shall give written notice to the Holders holding Registrable Securities and shall be relieved of its obligation to register any Registrable Securities in connection with such registration but shall not be relieved from its obligation to pay the Registration Expenses in connection therewith as provided in this Section 2.02, without prejudice, however, to the rights of the Section 2.01 Holder to request that such registration be effected as a registration under Section 2.01 to the extent so entitled and (iii) no Holder may request the registration of any Registrable Securities pursuant to this Section 2.02 after the expiration of 84 months following the initial Public Offering. If a registration pursuant to this Section 2.02 involves an underwritten Public Offering, each Holder of Registrable Securities requesting

to be included in such registration may elect, in writing not less than five Business Days prior to the effective date of the registration statement filed in connection with such registration, not to register such securities in connection with such registration. No registration effected under this Section 2.02 shall relieve Micro of its obligations to effect registrations upon request under Section 2.01. Micro will pay all Registration Expenses in connection with each registration of Registrable Securities requested pursuant to this Section 2.02, and each such Holder shall pay underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of such Holder's Registrable Securities pursuant to a registration statement effected pursuant to this Section 2.02.

(b) Maximum Offering Size. If a registration pursuant to this Section 2.02 involves an underwritten Public Offering and the managing underwriter shall advise Micro that, in its view, the number or mix of securities of Micro (including all Registrable Securities) which Micro, the Holders and any other Persons intend to include in such registration exceeds the Maximum Offering Size, Micro will reduce the number of securities requested to be registered until such registration no longer exceeds the Maximum Offering Size as follows:

(i) If the registration was initiated by Micro for the sale of Priority Securities for its own account:

(1) first, Priority Securities to be sold for the account of holders of Priority Securities other than Micro, Registrable Securities requested to be included in such registration pursuant to Section 2.02(a) by Holders holding Registrable Securities and securities requested to be included in such registration by Grantees pursuant to the terms of their agreements with Micro shall be reduced on a pro rata basis among them according to the relative number of shares each such Person has requested to be included in such registration; and

(2) second, Priority Securities to be sold for Micro's own account shall be reduced.

(ii) If the registration was initiated at the request of a holder (a "PRIORITY HOLDER") of Priority Securities to be sold for the account of such Priority Holder:

(1) first, until such time as the Registrable Securities requested to be included in such registration by the Priority Holder have been reduced by 50%, the Priority Securities requested to be included in such registration by the Priority Holder and the securities requested to be included in such registration by the Holders pursuant to Section 2.02 and by the Grantees pursuant to the terms of their agreements with Micro shall be reduced on a

pro rata basis among them according to the relative number of shares each such Person has requested to be included in such registration;

(2) second, any remaining securities requested to be included in such registration by the Holders pursuant to Section 2.02 and by all Grantees pursuant to the terms of their agreements with Micro shall be reduced on a pro rata basis among them according to the relative number of shares each such Person has requested to be included in such registration; and

(3) third, any remaining Priority Securities requested to be included in such registration by the Priority Holder shall be reduced.

SECTION 2.03. Holdback Agreements. Each Holder holding Registrable Securities agrees not to effect any public sale or distribution, including any sale pursuant to Rule 144 or any successor provision under the Securities Act, of any Registrable Securities, and not to effect any such public sale or distribution of any other equity security of Micro or of any security convertible into or exchangeable or exercisable for any equity security of Micro (in each case, other than (x) as part of any registration pursuant to the terms hereof of Registrable Securities in connection with a Public Offering or (y) any sale or distribution of Registrable Securities received upon the exercise of stock options) during the 14 days prior to, and during (i) the 180-day period (in the case of an initial Public Offering), (ii) the 60-day period (in the case of a shelf registered offering) or (iii) otherwise the 120-day period beginning on, the effective date (or the commencement of a take-down in the case of a shelf registered offering) of such registration statement (except as part of such registration or take-down); provided that each such Holder has received written notice of such registration or take-down at least two Business Days prior to the anticipated beginning of the 14-day period referred to above.

SECTION 2.04. Registration Procedures. Whenever a Holder requests that any Registrable Securities be registered pursuant to Section 2.01 or 2.02, Micro shall, subject to the provisions of such Sections, use its best efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof as quickly as practicable, and in connection with any such request:

(a) Micro will as expeditiously as possible prepare and file with the Commission a registration statement on any form for which Micro then qualifies or which counsel for Micro shall deem appropriate and which form shall be available for the sale of the Registrable Securities to be registered thereunder in accordance with the intended method of distribution thereof, and use its best efforts to cause such filed registration statement to become and remain effective for a period of not less than 120 days.

(b) Micro will, if requested, at least three Business Days prior to filing a registration statement or prospectus or any amendment or supplement thereto, furnish to each Holder and each underwriter, if any, of the Registrable Securities covered by such registration statement copies of such registration statement as proposed to be filed (including documents to be incorporated by reference therein) which documents will be subject to the reasonable review and comments of such Holders (and their respective attorneys) during such three Business Day period and Micro will not file any registration statement, any prospectus or any amendment or supplement thereto (or any such documents incorporated by reference) containing any statements with respect to such Holders to which the holders of a majority of the Registrable Securities to be included in such registration shall reasonably object in writing. Thereafter Micro will furnish to such Holder and underwriter, if any, such number of copies of such registration statement, each amendment and supplement thereto (and, if requested, all exhibits thereto and documents incorporated by reference therein), the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as such Holder or underwriter may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such Holder.

(c) After the filing of the registration statement, Micro will promptly notify each Holder of Registrable Securities covered by such registration statement of the effectiveness thereof and of any stop order issued or threatened by the Commission and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered and promptly notify such Holder of such lifting or withdrawal of such order.

(d) Micro will use its best efforts (i) to register or qualify the Registrable Securities under such other securities or blue sky laws of such jurisdictions in the United States as any Holder of Registrable Securities covered by such registration statement reasonably (in light of such Holder's intended plan of distribution) requests and (ii) to cause such Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of Micro and do any and all other acts and things that may be reasonably necessary or advisable to enable such Holder to consummate the disposition of the Registrable Securities owned by such Holder; provided that Micro will not be required (x) to qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph (d), (y) to subject itself to any material risk of taxation in any such jurisdiction or (z) to consent to general service of process in any such jurisdiction.

(e) Micro will immediately notify each Holder of Registrable Securities covered by such registration statement, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the occurrence of an event requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain

an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and promptly make available to each such Holder any such supplement or amendment, and Micro will promptly prepare and furnish to each such Holder a supplement to or an amendment of such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain any untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

(f) Micro will enter into customary agreements (including an underwriting agreement in customary form) and take such other actions as are reasonably required in order to expedite or facilitate the disposition of such Registrable Securities.

(g) Micro will make available for inspection by any Holder of Registrable Securities covered by such registration statement, any underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other professional retained by any such Holder or underwriter (collectively, the "INSPECTORS"), all financial and other records, pertinent corporate documents and properties of Micro (collectively, the "RECORDS") as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause Micro's officers, directors and employees to make themselves available to, and supply all information reasonably requested by, any Inspectors in connection with such registration statement. Records which Micro determines, in good faith, to be confidential and which it notifies the Inspectors are confidential shall not be disclosed by the Inspectors unless (i) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in such registration statement or (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction. Each such Holder agrees that information obtained by it as a result of such inspections shall be deemed confidential and shall not be used by it as the basis for any market transactions in the securities of Micro or its Affiliates unless and until such is made generally available to the public. Each such Holder further agrees that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to Micro and allow Micro, at its expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential.

(h) Micro will furnish to each Holder of Registrable Securities covered by such registration statement and to each underwriter, if any, a signed counterpart of (i) an opinion or opinions of counsel to Micro addressed to such Holder and underwriter on which opinion both such Holder and such underwriter are entitled to rely and (ii) a comfort letter or comfort letters from Micro's independent public accountants, each in then customary form and covering such matters of the type then customarily covered by opinions or comfort letters, as the case may be, as the holders of a majority of the Registrable Securities included in such registration statement or the managing underwriter therefor reasonably requests.

(i) Micro will otherwise use its best efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering a period of 12 months, beginning within three months after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act.

(j) Micro will use its best efforts to cause all such Registrable Securities to be listed on each securities exchange, if any, on which similar securities issued by Micro are then listed.

(k) Micro will use its best efforts to prepare and file with the Commission promptly upon the request of any such Holder, any amendments or supplements to such registration statement or prospectus which, in the reasonable opinion of counsel for such Holders, is required under the Securities Act or the rules and regulations thereunder in connection with the distribution of the Registrable Securities by such Holders.

Micro may require each Holder of Registrable Securities included in such registration statement promptly to furnish in writing to Micro such information regarding the distribution of the Registrable Securities as Micro may from time to time reasonably request and such other information with respect to such Holder as may be legally required in connection with such registration.

Each Holder agrees that, upon receipt of any notice from Micro of the happening of any event of the kind described in Section 2.04(e), such Holder will forthwith discontinue disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until such Holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 2.04(e), and, if so directed by Micro, such Holder will deliver to Micro all copies in its possession of the most recent prospectus covering such Registrable Securities at the time of receipt of such notice. In the event Micro shall give such notice, Micro shall extend the period during which the effectiveness of such registration statement shall be maintained (including the period referred to in Section 2.04(a) hereof) by the number of days during the period from and including the date of the giving of notice pursuant to Section 2.04(e) to the date when Micro shall make available to such Holder a prospectus supplemented or amended to conform with the requirements of Section 2.04(e).

Micro shall not be liable for the failure of any such registration to become effective provided that Micro complies with its obligations hereunder.

SECTION 2.05. Indemnification by Micro. Micro agrees to indemnify and hold harmless to the fullest extent permitted by law each Holder of Registrable Securities covered by a registration statement, its officers, directors and agents, and each Person, if

any, who controls such Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages, liabilities and expenses caused by any untrue statement or alleged untrue statement of a material fact contained in any registration statement or prospectus relating to the Registrable Securities (as amended or supplemented if Micro shall have furnished any amendments or supplements thereto) or any preliminary, summary or final prospectus or any amendments or supplements thereto, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading and Micro will reimburse such Holders for any legal or any other expenses reasonably incurred by them in connection with investigating or defending such loss, claim, damage, liability or expense except insofar as such losses, claims, damages, liabilities or expenses are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information furnished in writing to Micro by such Holder or on such Holder's behalf in either such case expressly for use therein; provided, that with respect to any untrue statement or omission or alleged untrue statement or omission made in any preliminary prospectus, or in any prospectus, as the case may be, the indemnity agreement contained in this paragraph shall not apply to the extent that any such loss, claim, damage, liability or expense results from the fact that a current copy of the prospectus (or, in the case of a prospectus, the prospectus as amended or supplemented) was not sent or given to the Person asserting any such loss, claim, damage, liability or expense at or prior to the written confirmation of the sale of the Registrable Securities concerned to such Person if it is determined that Micro has provided such prospectus and it was the responsibility of such Holder to provide such Person with a current copy of the prospectus (or such amended or supplemented prospectus, as the case may be) and such current copy of the prospectus (or such amended or supplemented prospectus, as the case may be) would have cured the defect giving rise to such loss, claim, damage, liability or expense. Micro also agrees to indemnify any underwriters of the Registrable Securities, their officers and directors and each Person who controls such underwriters on substantially the same basis as that of the indemnification of the Holders provided in this Section 2.05.

SECTION 2.06. Indemnification by Holders of Registrable Securities. Each Holder of Registrable Securities included in any registration statement agrees to indemnify and hold harmless to the fullest extent permitted by law (including without limitation reimbursement of Micro for any legal or any other expenses reasonably incurred by it in investigating or defending such loss, claim, damage, liability or expense) Micro, its officers, directors and agents and each Person, if any, who controls Micro within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from Micro to such Holder, but only (i) with respect to information furnished in writing by such Holder or on such Holder's behalf in either case expressly for use in any registration statement or prospectus relating to the Registrable Securities, or any amendment or supplement thereto, or any preliminary, summary or final prospectus or any amendments or supplements thereto or (ii) to the

extent that any loss, claim, damage, liability or expense described in Section 2.05 results from the fact that a current copy of the prospectus (or, in the case of a prospectus, the prospectus as amended or supplemented) was not sent or given to the Person asserting any such loss, claim, damage, liability or expense at or prior to the written confirmation of the sale of the Registrable Securities concerned to such Person if it is determined that it was the responsibility of such Holder to provide such Person with a current copy of the prospectus (or such amended or supplemented prospectus, as the case may be) and such current copy of the prospectus (or such amended or supplemented prospectus, as the case may be) would have cured the defect giving rise to such loss, claim, damage, liability or expense. Each such Holder also agrees to indemnify and hold harmless underwriters of the Registrable Securities, their officers and directors and each Person who controls such underwriters on substantially the same basis as that of the indemnification of Micro provided in this Section 2.06.

SECTION 2.07. Conduct of Indemnification Proceedings. In case any proceeding (including any governmental investigation) shall be instituted involving any Person in respect of which indemnity may be sought pursuant to Section 2.05 or 2.06, such Person (an "INDEMNIFIED PARTY") shall promptly notify the Person against whom such indemnity may be sought (the "INDEMNIFYING PARTY") in writing and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Party, and shall assume the payment of all fees and expenses. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed to the retention of such counsel or (ii) the Indemnified Party has been advised in writing by its counsel that representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the Indemnifying Party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) at any time for all such Indemnified Parties. In the case of any such separate firm for the Indemnified Parties, such firm shall be designated in writing by the Indemnified Party who had the largest number of Registrable Securities included in such registration. The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent which consent shall not be unreasonably withheld, but if settled with such consent, or if there be a final judgment for the plaintiff, the Indemnifying Party shall indemnify and hold harmless such Indemnified Parties from and against any loss or liability (to the extent stated above) by reason of such settlement or judgment. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability arising out of such proceeding.

SECTION 2.08. Contribution. If the indemnification provided for hereunder is unavailable to the Indemnified Parties in respect of any losses, claims, damages or liabilities referred to herein, then each such Indemnifying Party, in lieu of indemnifying such Indemnified Party shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities (i) as between Micro and the Holders on the one hand and the underwriters on the other, in such proportion as is appropriate to reflect the relative benefits received by Micro and the Holders on the one hand and the underwriters on the other from the offering of the securities, or if such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits but also the relative fault of Micro and the Holders on the one hand and of the underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations and (ii) as between Micro on the one hand and each Holder of Registrable Securities covered by a registration statement on the other, in such proportion as is appropriate to reflect the relative fault of Micro and of each such Holder in connection with such statements or omissions, as well as any other relevant equitable considerations. The relative benefits received by Micro and the Holders on the one hand and the underwriters on the other shall be deemed to be in the same proportion as the total proceeds from the offering (net of underwriting discounts and commissions but before deducting expenses) received by Micro and the Holders bear to the total underwriting discounts and commissions received by the underwriters, in each case as set forth in the table on the cover page of the prospectus. The relative fault of Micro and the Holders on the one hand and of the underwriters on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by Micro and the Holders or by the underwriters. The relative fault of Micro on the one hand and of each such Holder on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

Micro and the Holders of Registrable Securities agree that it would not be just and equitable if contribution pursuant to this Section 2.08 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages or liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 2.08, no underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities underwritten by it and distributed to the public were

offered to the public exceeds the amount of any damages which such underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. Notwithstanding the provisions of this Section, no Holder shall be required to contribute any amount in excess of the amount by which the total price at which the securities of such Holder were offered to the public exceeds the amount of any damages which such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. Each Holder's obligation to contribute pursuant to this Section 2.08 is several in the proportion that the proceeds of the offering received by such Holder bears to the total proceeds of the offering received by all of the Holders and not joint.

SECTION 2.09. Participation in Public Offering. No Person may participate in any underwritten Public Offering hereunder unless such Person (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreement, custody agreements and other documents reasonably required under the terms of such underwriting arrangements and these Registration Rights.

SECTION 2.10. Rule 144 Reporting. With a view to making available to the Holders the benefits of certain rules and regulations of the Commission which may permit the sale of securities to the public without registration, Micro agrees to:

(a) make and keep public information available as those terms are understood and defined in Rule 144 (including paragraph (c)(2) of such Rule);

(b) use its best efforts to file with the Commission in a timely manner reports and other documents, if any, required of Micro under the Securities Act and the Exchange Act; and

(c) furnish to the Holders forthwith upon request a written statement by Micro as to its compliance with the reporting requirements of Rule 144, and of the Securities Act and the Exchange Act (if applicable), a copy of the most recent annual or quarterly report of Micro filed with the Commission, if any, and such other reports and documents of Micro and other information in the possession of or reasonably obtainable by Micro as the Holders may reasonably request in availing themselves of any rule or regulation of the Commission allowing the Holders to sell securities without registration.

ARTICLE 3
MISCELLANEOUS

SECTION 3.01. Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. This Agreement supersedes all prior agreements and understandings between the parties hereto with respect to the subject matter hereof.

SECTION 3.02. Notices. Any notice, request, instruction or other document to be given hereunder by any party hereto to another party hereto shall be in writing (including telecopier or similar writing) and shall be given to such party at its address set forth on the signature pages hereof, or to such other address as the party to whom notice is to be given may provide in a written notice to the party giving such notice, a copy of which written notice shall be on file with the Secretary of Micro. If notice is given pursuant to this Section of a permitted successor or assign of a party to this Agreement, then notice shall thereafter be given as set forth above to such successor or assign of such party to this Agreement. Each such notice, request or other communication shall be effective (i) if given by telecopy, when such telecopy is transmitted to the telecopy number specified on the signature pages hereof and electronic or oral confirmation of receipt is received, (ii) if given by mail, at the close of business on the third Business Day after such communication is deposited in the mails with first class postage prepaid addressed as aforesaid or (iii) if given by any other means, when delivered at the address specified in this Section 3.02.

SECTION 3.03. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to the conflicts of law rules of such state.

SECTION 3.04. Successors, Assigns, Transferees. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by Micro or any Holder, except to a Permitted Transferee of any such Holder as provided pursuant to the terms hereof. This Agreement is binding upon the parties to this Agreement and their respective legal representatives, heirs, devisees, legatees, beneficiaries and successors and permitted assigns and inures to the benefit of the parties to this Agreement and their respective permitted legal representatives, heirs, devisees, legatees, beneficiaries and other permitted successors and assigns, if any. Neither this Agreement nor any provision hereof shall be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement, those who agree to be bound hereby and their respective permitted legal representatives, heirs, devisees, legatees, beneficiaries and other permitted successors and assigns. References to a party to this Agreement are also references to any permitted successor or assign of such party and, when appropriate to effect the binding nature of this Agreement for the benefit of another party, any other successor or assign of a party.

SECTION 3.05. Amendments; Waivers. (a) No failure or delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

(b) Neither this Agreement nor any term or provision hereof may be waived except by an instrument in writing signed by (i) each Ingram Stockholder, (ii) Micro, (iii) the Ingram Thrift Plan; provided that the Ingram Thrift Plan is materially adversely affected by such waiver, and (iv) Holders of a majority of the Registrable Securities which are materially adversely affected by such waiver.

(c) Neither this Agreement nor any term or provision hereof may be amended except by an instrument in writing signed by (i) each Ingram Stockholder, (ii) Micro, (iii) the Ingram Thrift Plan; provided that the Ingram Thrift Plan is materially adversely affected by such amendment, and (iv) Holders of a majority of the Registrable Securities (excluding those held by the Ingram Stockholders and the Ingram Thrift Plan) which are materially adversely affected by such amendment.

(d) Micro shall deliver prompt written notice to each other party hereto of any amendment or waiver to this Agreement approved pursuant to this Section.

SECTION 3.06. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 3.07. Consent to Jurisdiction. Each party hereto irrevocably submits to the non-exclusive jurisdiction of any Tennessee State Court or United States Federal Court sitting in the Middle District of Tennessee over any suit, action or proceeding arising out of or relating to this Agreement. Each party hereto (other than Micro) hereby irrevocably appoints CT Corporation System Company as its authorized agent to accept and acknowledge on its behalf service of any and all process which may be served in any such suit, action or proceeding in any such court and represents and warrants that such agent has accepted such appointment. Each party hereto consents to process being served in any such suit, action or proceeding by serving a copy thereof upon the agent for service of process, provided that to the extent lawful and possible, written notice of such service shall also be mailed to such party. Each party hereto waives any right it may have to assert the doctrine of forum non conveniens or to object to venue to the extent any proceeding is brought in accordance with this Section 3.07. Nothing in this paragraph shall affect or limit any right to serve process in any manner permitted by law, to bring proceedings in the courts of any jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

SECTION 3.08. Community Property. If such Holder's Registrable Securities constitute community property, this Agreement has been executed and delivered by such Holder's spouse, who shall be bound hereby.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INGRAM MICRO INC.

By: /s/ Jeffrey R. Rodek

Name: Jeffrey R. Rodek
Title: President
1600 Saint Andrew Place
Santa Ana, CA 92705
Telecopy: 714-566-7900

HOLDERS

E. BRONSON INGRAM
Q-TIP MARITAL TRUST

By MARTHA R. INGRAM, ORRIN H. INGRAM, JOHN R. INGRAM, DAVID B. INGRAM AND ROBIN I. PATTON, as Co-Trustees

By: /s/ Martha R. Ingram

Name: Martha R. Ingram
Title: Co-Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

By: /s/ Orrin H. Ingram

Name: Orrin H. Ingram
Title: Co-Trustee
Address: 1475 Moran Road
Franklin, TN 37069

By: /s/ John R. Ingram

Name: John R. Ingram
Title: Co-Trustee
Address: 311 Jackson Boulevard
Nashville, TN 37205

By: /s/ David B. Ingram

Name: David B. Ingram
Title: Co-Trustee
Address: 4417 Tyne Boulevard
Nashville, TN 37215

By: /s/ Robin I. Patton

Name: Robin I. Patton
Title: Co-Trustee
Address: 1600 Chickering Road
Nashville, TN 37215

E. BRONSON INGRAM 1995 CHARITABLE
REMAINDER 5% UNITRUST

By MARTHA R. INGRAM, as Trustee

By: /s/ Martha R. Ingram

Name: Martha R. Ingram
Title: Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

MARTHA AND BRONSON INGRAM
FOUNDATION

By: /s/ John R. Ingram

Name: John R. Ingram
Title: President
Address: c/o Ingram Industries Inc.
4440 Harding Road
Nashville, TN 37205
(615) 298-8200

E. BRONSON INGRAM 1994
CHARITABLE LEAD ANNUITY TRUST

By ORRIN H. INGRAM, JOHN R. INGRAM,
DAVID B. INGRAM, AND ROBIN B.
INGRAM PATTON, as Co-Trustees

By: /s/ Orrin H. Ingram

Name: Orrin H. Ingram
Title: Co-Trustee
Address: 1475 Moran Road
Franklin, TN 37069

By: /s/ John R. Ingram

Name: John R. Ingram
Title: Co-Trustee
Address: 311 Jackson Boulevard
Nashville, TN 37205

By: /s/ David B. Ingram

Name: David B. Ingram
Title: Co-Trustee
Address: 4417 Tyne Boulevard
Nashville, TN 37215

By: /s/ Robin B. Ingram Patton

Name: Robin B. Ingram Patton
Title: Co-Trustee
Address: 1600 Chickering Road
Nashville, TN 37215

INGRAM THRIFT PLAN

By W.M. HEAD, R.E. CLAVERIE AND
T.H. LUNN, as Co-Trustees

By: /s/ William M. Head

Name: William M. Head
Title: Co-Trustee
Address: 1229 Nichol Lane
Nashville, TN 37205

By: /s/ R.E. Claverie

Name: R.E. Claverie
Title: Co-Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

By: /s/ T.H. Lunn

Name: T.H. Lunn
Title: Co-Trustee
Address: 509 Sugartree Lane
Franklin, TN 37064

/s/ Linwood A. Lacy, Jr.

Linwood A. Lacy, Jr.
2304 Cranborne Road
Midlothian, VA 23113

LINWOOD A. LACY, JR.
1996 IRREVOCABLE TRUST DATED
MARCH 24, 1996

By NATIONSBANK, N.A, as Trustee

By: /s/ Philip L. Rudder

Name: Philip L. Rudder
Title: Vice President
Address: NationsBank, N.A.
Attention: Phil Rudder,
Vice President
12th and Main, 12th Floor
Richmond, VA 23261

/s/ Dana N. Rutledge
_____
Spouse

/s/ David W. Rutledge
_____
David W. Rutledge
34 Deerwood East
Irvine, CA 92714

/s/ Deborah S. Hardaway
_____
Spouse

/s/ Ronald K. Hardaway
_____
Ronald K. Hardaway
2 Moss Glen
Irvine, CA 92715

/s/ Victoria L. Cotten

Victoria L. Cotten
8 Medici
Aliso Viejo, CA 92656

/s/ David B. Ingram

David B. Ingram
4417 Tyne Boulevard
Nashville, TN 37215

DAVID AND SARAH INGRAM FAMILY 1996
GENERATION SKIPPING TRUST

By THOMAS H. LUNN, as Trustee

By: /s/ Thomas H. Lunn

Name: Thomas H. Lunn
Title: 509 Sugartree Lane
Address: Franklin, TN 37064

TRUST FOR THE BENEFIT OF DAVID BRONSON INGRAM, DATED OCTOBER 27, 1967

By SUNTRUST BANK, ATLANTA,
successor trustee

By: /s/ Thomas A. Shanks, Jr.

Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

TRUST FOR THE BENEFIT OF DAVID BRONSON INGRAM, DATED JUNE 14, 1968

By SUNTRUST BANK, ATLANTA
as Successor Trustee

By: /s/ M. Steven Carroll

Name: M. Steven Carroll
Title: Group Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

TRUST FOR THE BENEFIT OF DAVID B. INGRAM, DATED DECEMBER 22, 1975

By SUNTRUST BANK, ATLANTA,
as Successor Trustee

By: /s/ Thomas A. Shanks, Jr.

Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

DAVID B. INGRAM IRREVOCABLE TRUST
DATED AUGUST 16, 1988

By ROY E. CLAVERIE, as Trustee

By: /s/ Roy E. Claverie

Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

1994 DAVID BRONSON INGRAM TRUST

By ROY E. CLAVERIE, as Trustee

By: /s/ Roy E. Claverie

Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

/s/ Thomas H. Lunn
_____
Thomas H. Lunn
509 Sugartree Lane
Franklin, TN 37064

LUNN FAMILY PARTNERS, L.P.

By: /s/ Thomas H. Lunn
---
as General Partner

By: /s/ Thomas H. Lunn

Name: Thomas H. Lunn
Title:
Address: 509 Sugartree Lane
Franklin, TN 37064

/s/ Philip Maurice Pfeffer

Philip M. Pfeffer
836 Treemont Court
Nashville, TN 37220

PFEFFER FAMILY PARTNERS, L.P.

By: /s/ Pfeffer Enterprises, Inc.

as General Partner

By: /s/ Philip Maurice Pfeffer

Name: Philip Maurice Pfeffer
Title: President
Address: 836 Treemont Court
Nashville, TN 37220

TRUST AGREEMENT OF JUNE 11, 1987
BETWEEN BRONSON AND MARTHA INGRAM,
GRANTORS, AND EDWARD G. NELSON,
TRUSTEE FOR THE BENEFIT OF JOHN-LINDELL

PHILIP PFEFFER

By EDWARD G. NELSON, as Trustee

By: /s/ Edward G. Nelson

Name: Edward G. Nelson
Title: Trustee
Address: Nelson Capital Corp.
3401 West End Avenue
Nashville, TN 37203

/s/ John-Lindell Philip Pfeffer

John-Lindell Philip Pfeffer
Rue General Patton, Sq.
1050 Brussels Belgium

TRUST AGREEMENT OF JUNE 11, 1987
BETWEEN BRONSON AND MARTHA INGRAM,
GRANTORS, AND EDWARD G. NELSON,
TRUSTEE FOR THE BENEFIT OF DAVID
MAURICE PFEFFER

By EDWARD G. NELSON, as Trustee

By: /s/ Edward G. Nelson

Name: Edward G. Nelson
Title: Trustee
Address: Nelson Capital Corp.
3401 West End Avenue
Nashville, TN 37203

TRUST AGREEMENT OF JUNE 11, 1987
BETWEEN BRONSON AND MARTHA INGRAM,
GRANTORS, AND EDWARD G. NELSON,
TRUSTEE FOR THE BENEFIT OF JAMES
HOWARD PFEFFER

By EDWARD G. NELSON, as Trustee

By: /s/ Edward G. Nelson

Name: Edward G. Nelson
Title: Trustee
Address: Nelson Capital Corp.
3401 West End Avenue
Nashville, TN 37203

/s/ Roy E. Claverie

Roy E. Claverie
6107 Hickory Valley Road
Nashville, TN 37205

ROY E. CLAVERIE, JR.
1996 VESTED TRUST

By WILLIAM S. JONES, as Trustee

By: /s/ William S. Jones

Name: William S. Jones
Title: Trustee
Address: 6015 Wellesley Way
Brentwood, TN 37027

ROY E. CLAVERIE, JR. 1996
GENERATION SKIPPING TRUST

By WILLIAM S. JONES, as Trustee

By: /s/ William S. Jones

Name: William S. Jones
Title: Trustee
Address: 6015 Wellesley Way
Brentwood, TN 37027

KEITH J. CLAVERIE, JR.
1996 VESTED TRUST

By WILLIAM S. JONES, as Trustee

By: /s/ William S. Jones

Name: William S. Jones
Title: Trustee
Address: 6015 Wellesley Way
Brentwood, TN 37027

KEITH J. CLAVERIE, JR.
1996 GENERATION SKIPPING TRUST

By WILLIAM S. JONES, as Trustee

By: /s/ William S. Jones

Name: William S. Jones
Title: Trustee
Address: 6015 Wellesley Way
Brentwood, TN 37027

TRUST AGREEMENT OF JUNE 11, 1987
BETWEEN BRONSON AND MARTHA
INGRAM, GRANTORS, AND EDWARD G.
NELSON TRUSTEE FOR THE BENEFIT OF
KEITH JOSEPH CLAVERIE

By EDWARD G. NELSON, as Trustee

By /s/ Edward G. Nelson

Name: Edward G. Nelson
Title: Trustee
Address: Nelson Capital Corp.
3401 West End Avenue
Nashville, TN 37203

TRUST AGREEMENT OF JUNE 11, 1987
BETWEEN BRONSON AND MARTHA
INGRAM, GRANTORS, AND EDWARD G.
NELSON, TRUSTEE FOR THE BENEFIT OF
ROY EDWARD CLAVERIE, JR.

By EDWARD G. NELSON, as Trustee

By: /s/ Edward G. Nelson

Name: Edward G. Nelson
Title: Trustee
Address: Nelson Capital Corp.
3401 West End Avenue
Nashville, TN 37203

/s/ Roy E. Claverie, Jr.
_____
Roy E. Claverie, Jr.
6107 Hickory Valley Road
Nashville, TN 37205

/s/ David F. Sampsell
_____
David F. Sampsell
420 Welshwood #47
Nashville, TN 37211

/s/ Steven J. Mason
_____
Steven J. Mason
1318 Chickering Road
Nashville, TN 37215

THE DAVID C. MASON
1996 GENERATION SKIPPING TRUST

By LINDA L. MASON AND MICHAEL G. MASON, as Co-Trustees

By: /s/ Linda L. Mason

Name: Linda L. Mason
Title: Co-Trustee
Address: 1318 Chickering Road
Nashville, TN 37215

By: /s/ Michael Mason

Name: Michael Mason
Title: Co-Trustee
Address: 1318 Chickering Road
Nashville, TN 37215

THE MICHAEL G. MASON
1996 GENERATION SKIPPING TRUST

By LINDA L. MASON AND STEVEN J. MASON, JR., as Co-Trustees

By: /s/ Linda L. Mason

Name: Linda L. Mason
Title: Co-Trustee
Address: 1318 Chickering Road
Nashville, TN 37215

By: /s/ Steven J. Mason, Jr.

Name: Steven J. Mason, Jr.
Title: Co-Trustee
Address: 1318 Chickering Road
Nashville, TN 37215

THE STEVEN J. MASON, JR.
1996 GENERATION SKIPPING TRUST

By LINDA L. MASON AND DAVID C. MASON, as Co-Trustees

By: /s/ Linda L. Mason

Name: Linda L. Mason
Title: Co-Trustee
Address: 1318 Chickering Road
Nashville, TN 37215

By: /s/ David C. Mason

Name: David C. Mason
Title: Co-Trustee
Address: 1318 Chickering Road
Nashville, TN 37215

/s/ Neil N. Diehl
_____
Neil N. Diehl
6 Castle Rising
Nashville, TN 37215

/s/ W. Michael Head
_____
W. Michael Head
1229 Nichol Lane
Nashville, TN 37205

/s/ David L. Hettinger
_____
David L. Hettinger
5108 Woodland Hills Drive
Brentwood, TN 37027

/s/ Lavona G. Russell
_____
Lavona G. Russell
9549 Butler Drive
Brentwood, TN 37027

/s/ Michael F. Lovett

Michael F. Lovett
1013 Beech Grove Road
Brentwood, TN 37027

/s/ William S. Jones

William S. Jones
6015 Wellesley Way
Brentwood, TN 37027

/s/ James F. Neal

James F. Neal
c/o Neal & Harwell
2000 One Nashville Place
150 Fourth Avenue, North
Nashville, TN 37219

/s/ Martha R. Ingram

Martha R. Ingram
120 Hillwood Drive
Nashville, TN 37215

/s/ Orrin H. Ingram, II

Orrin H. Ingram, II
1475 Moran Road
Franklin, TN 37069

TRUST FOR THE BENEFIT OF ORRIN HENRY INGRAM, II, DATED OCTOBER 27, 1967

By SUNTRUST BANK, ATLANTA
as Successor Trustee

By: /s/ Thomas A. Shanks, Jr.

Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

TRUST FOR THE BENEFIT OF ORRIN HENRY INGRAM, II, DATED JUNE 14, 1968

By SUNTRUST BANK, ATLANTA
as Successor Trustee

By: /s/ Thomas A. Shanks, Jr.

Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

TRUST FOR THE BENEFIT OF ORRIN H. INGRAM, II, DATED DECEMBER 22, 1975

By SUNTRUST BANK, ATLANTA
as Successor Trustee

By: /s/ M. Steven Carroll

Name: M. Steven Carroll
Title: Group Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

ORRIN H. INGRAM IRREVOCABLE TRUST DATED AUGUST 16, 1988

By ROY E. CLAVERIE, as Trustee

By: /s/ Roy E. Claverie

Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

1994 ORRIN HENRY INGRAM TRUST

By ROY E. CLAVERIE, as Trustee

By: /s/ Roy E. Claverie

Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

/s/ John R. Ingram

John R. Ingram
311 Jackson Boulevard
Nashville, TN 37205

THE JOHN AND STEPHANIE INGRAM
FAMILY 1996 GENERATION SKIPPING TRUST

By WILLIAM S. JONES, as Trustee

By: /s/ William S. Jones

Name: William S. Jones
Title: Trustee
Address: 6015 Wellesley Way
Brentwood, TN 37027

TRUST FOR THE BENEFIT OF JOHN
RIVERS INGRAM, DATED OCTOBER 27, 1967

By SUNTRUST BANK, ATLANTA
as Successor Trustee

By: /s/ M. Steven Carroll

Name: M. Steven Carroll
Title: Group Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

TRUST FOR THE BENEFIT OF JOHN RIVERS INGRAM,
DATED JUNE 14, 1968

By SUNTRUST BANK, ATLANTA
as Successor Trustee

By: /s/ M. Steven Carroll

Name: M. Steven Carroll
Title: Group Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

TRUST FOR THE BENEFIT OF JOHN R.
INGRAM, DATED DECEMBER 22, 1975

By SUNTRUST BANK, ATLANTA
as Successor Trustee

By: /s/ M. Steven Carroll

Name: M. Steven Carroll
Title: Group Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

JOHN R. INGRAM IRREVOCABLE TRUST
DATED AUGUST 16, 1988

By ROY E. CLAVERIE, as Trustee

By: /s/ Roy E. Claverie

Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

1994 JOHN RIVERS INGRAM TRUST

By ROY E. CLAVERIE, as Trustee

By: /s/ Roy E. Claverie

Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

/s/ Robin B. Ingram Patton
_____

Robin B. Ingram Patton
1600 Chickering Road
Nashville, TN 37215

TRUST FOR THE BENEFIT OF ROBIN
INGRAM, DATED OCTOBER 27, 1967

By SUNTRUST BANK, ATLANTA
as Successor Trustee

By: /s/ M. Steven Carroll

Name: M. Steven Carroll
Title: Group Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

TRUST FOR THE BENEFIT OF ROBIN
BIGELOW INGRAM, DATED JUNE 14, 1968

By SUNTRUST BANK, ATLANTA
as Successor Trustee

By: /s/ M. Steven Carroll

Name: M. Steven Carroll
Title: Group Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

TRUST FOR THE BENEFIT OF ROBIN B.
INGRAM, DATED DECEMBER 22, 1975

By SUNTRUST BANK, ATLANTA
as Successor Trustee

By: /s/ M. Steven Carroll

Name: M. Steven Carroll
Title: Group Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

ROBIN B. INGRAM IRREVOCABLE
TRUST DATED AUGUST 16, 1988

By ROY E. CLAVERIE, as Trustee

By: /s/ Roy E. Claverie

Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

1994 ROBIN INGRAM PATTON TRUST

By ROY E. CLAVERIE, as Trustee

By: /s/ Roy E. Claverie

Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

/s/ Panjah P. Shah

Panjah P. Shah
1201 Parker Place
Brentwood, TN 37027-7002

/s/ S. Ray Taylor

S. Ray Taylor
3280 Central Valley Road
Murfreesboro, TN 37219

/s/ Jacob S. Sherman

Jacob S. Sherman
215 Lauderdale Road
Nashville, TN 37205

/s/ Susan R. Flaster

Susan R. Flaster
144 September Drive
La Vergne, TN 37086

EXHIBIT A

FORM OF AGREEMENT TO BE BOUND

To the Parties to the Registration
Rights Agreement dated as of
November 6, 1996

Dear Sirs:

Reference is made to the Registration Rights Agreement (the "AGREEMENT") dated as of November 6, 1996 among Ingram Micro Inc. and the Persons listed on the signature pages thereof.

In consideration of the transfer of Registrable Securities (as defined in the Agreement) to the undersigned, the undersigned hereby confirms and agrees to be bound by all of the provisions of the Agreement.

This letter shall be construed and enforced in accordance with the laws of the State of Delaware without regard to the conflicts of law rules of such state.

Very truly yours,

Permitted Transferee

ANNEX I

FAMILY STOCKHOLDERS

David B. Ingram

David and Sarah Ingram Family
1996 Generation Skipping Trust

Trust for the Benefit of David Bronson Ingram,
Dated October 27,1967

Trust for the Benefit of David Bronson Ingram,
Dated June 14, 1968

Trust for the Benefit of David B. Ingram,
Dated December 22, 1975

David B. Ingram Irrevocable Trust
Dated August 16, 1988

1994 David Bronson Ingram Trust

Martha R. Ingram

Orrin H. Ingram, II

Trust for the Benefit of Orrin Henry Ingram, II,
Dated October 27, 1967

Trust for the Benefit of Orrin Henry Ingram, II,
Dated June 14, 1968

Trust for the Benefit of Orrin H. Ingram, II,
Dated December 22, 1975

Orrin H. Ingram Irrevocable Trust
Dated August 16, 1988

1994 Orrin Henry Ingram Trust

John R. Ingram

John and Stephanie Ingram Family
1996 Generation Skipping Trust

Trust for the Benefit of John Rivers Ingram,
Dated October 27, 1967

Trust for the Benefit of John Rivers Ingram,
Dated June 14, 1968

Trust for the Benefit of John R. Ingram,
Dated December 22, 1975

John R. Ingram Irrevocable Trust
Dated August 16, 1988

1994 John Rivers Ingram Trust

Robin B. Ingram Patton

Trust for the Benefit of Robin Ingram,
Dated October 27, 1967

Trust for the Benefit of Robin Bigelow Ingram,
Dated June 14, 1968

Trust for the Benefit of Robin B. Ingram,
Dated December 22, 1975

Robin B. Ingram Irrevocable Trust
Dated August 16, 1988

1994 Robin Ingram Patton Trust

EXHIBIT 10.15

BOARD REPRESENTATION AGREEMENT

AGREEMENT dated as of November 6th, 1996 among Ingram Micro Inc., a Delaware corporation ("Micro"), and each Person listed on the signature pages hereof.

WHEREAS, Micro believes it is in the best interest of Micro and its stockholders to become a free standing corporation rather than a subsidiary of Ingram Industries Inc. ("Industries"); and

WHEREAS, Micro believes that the proposed Split-Off (as defined herein) from Industries will facilitate its ability to raise capital, including its initial public offering, and will allow Micro to more effectively design incentives for its employees, all to the benefit of Micro and its stockholders; and

WHEREAS, the Family Stockholders (as defined herein) are willing to relinquish certain rights in exchange for the bargained for provisions of this Agreement (all of which are, and are intended to be, an inducement for the Family Stockholders to effect the Split-Off); and

WHEREAS, the parties hereto desire to provide for certain rights and obligations relating to the composition and qualifications of the board of directors of Micro following the date hereof;

Accordingly, in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt, sufficiency and mutuality of which are hereby acknowledged by each of the parties hereto, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

SECTION 1.1 Definitions.

(a) The following terms, as used herein, have the following meanings:

"Approving Family Stockholders" means the QTIP Marital Trust created under the E. Bronson Ingram Revocable Trust Agreement dated January 4, 1995, Martha R. Ingram, Orrin H. Ingram, II, John R. Ingram, David B. Ingram, Robin B. Ingram Patton, E. Bronson Ingram 1995 Charitable Remainder 5% Unitrust, Martha and Bronson Ingram Foundation, Trust for Orrin Henry Ingram, II, under Agreement with E. Bronson Ingram dated October 27, 1967, Trust for the Benefit of Orrin Henry Ingram, II, under Agreement with E. Bronson Ingram dated June 14, 1968, Trust for Orrin Henry Ingram, II, under Agreement with Hortense B. Ingram dated December 22, 1975, The Orrin H. Ingram Irrevocable Trust dated July 9, 1992, the Trust for the Benefit of Orrin H. Ingram established by Martha R. Rivers under Agreement of Trust originally dated April 30, 1982, as amended, the Trust for John Rivers Ingram, under Agreement with E. Bronson Ingram dated October 27, 1967, the Trust for John Rivers Ingram, under Agreement with Hortense B. Ingram dated December 22, 1975, The John R. Ingram Irrevocable Trust dated July 9, 1992, the Trust for the Benefit of John R. Ingram established by Martha R. Rivers under Agreement of Trust originally dated April 30, 1982, The John and Stephanie Ingram Family 1996 Generation Skipping Trust, the Trust for David B. Ingram, under Agreement with Hortense B. Ingram dated December 22, 1975, The David B. Ingram Irrevocable Trust dated July 9, 1992, the Trust for the Benefit of David B. Ingram established by Martha R. Rivers under Agreement of Trust originally dated April 30, 1982, the David and Sarah Ingram Family 1996 Generation Skipping Trust, the Trust for Robin Bigelow Ingram, under Agreement with E. Bronson Ingram dated October 27, 1967, Trust for Robin Bigelow Ingram, under Agreement with Hortense B. Ingram dated December 22, 1975, The Robin Ingram Patton Irrevocable Trust, dated July 9, 1992 and Trust for the Benefit of Robin B. Ingram established by Martha R. Rivers under Agreement of Trust originally dated April 30, 1982, and all Permitted Transferees of each such Person.

"Approving Voting Power" means, as of any date, the number of votes able to be cast pursuant to Section 2.5(d) by the Approving Family Stockholders consistent with Exhibit A hereto.

"Board" means the board of directors of Micro.

"Fair Market Value" means with respect to the Micro Common Shares, as of any given date or dates, the reported closing price of a share of such class of common stock on such exchange or market as is the principal trading market for such class of common stock. If such class of common stock is not traded on an exchange or principal trading market on such date, the fair market value of a Micro Common Share shall be determined by the Board in good faith taking into account as appropriate recent sales of the Micro Common Shares, recent valuations of the Micro Common Shares, the lack of liquidity of the Micro Common Shares, the fact that the Micro Common Shares may represent a minority interest and such other factors as the Committee shall in its discretion deem relevant or appropriate.

"Family Agent" means a Person appointed by a majority of the Approving Voting Power of the Approving Family Stockholders from time to time as provided in Section 3.13 of this Agreement.

"Family Stockholders" means the Persons listed on the signature pages hereof (other than Micro) and all Permitted Transferees of each such Person.

"Independent" means, with respect to any Person, a Person who shall (i) not be an executive officer or other employee of Micro and (ii) not be a member of the Ingram Family.

"Ingram Family" means Martha R. Ingram, her descendants (including adopted persons and their descendants) and their respective spouses.

"Micro Common Shares" means the shares of common stock of Micro, including the Class B common stock and the Class A common stock, par value $0.01 per share, of Micro.

"Outstanding Voting Power" means, as of any date, the number of votes able to be cast for the election of directors represented by all Micro Common Shares outstanding on such date.

"Permitted Transferee" means, with respect to any Family Stockholder, any of the other Family Stockholders or any of their respective spouses, descendants (including adopted persons and their descendants), estates, affiliates or any trust or other entities for the benefit of any of the foregoing Persons and beneficiaries of the E. Bronson Ingram QTIP Marital Trust upon the death of Martha R. Ingram, whether the transfer occurs voluntarily during life or at death, whether by appointment, will or intestate descent or distribution. Without limiting the generality of the foregoing, transfers from the QTIP Marital Trust created under the E. Bronson Ingram Revocable Trust Agreement dated January 4, 1995 to the Martha and Bronson Ingram Foundation, the Ingram Charitable Fund or any of the other beneficiaries thereof shall be deemed to be transfers to Permitted Transferees.

"Person" means an individual, corporation, partnership, limited liability company, trust, association or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Split-Off" means the contemplated distribution by Industries of all the stock of Micro and Ingram Entertainment Inc. to certain stockholders of Industries effected in accordance with Section 355 of the Internal Revenue Code of 1986, as amended.

(b) Each of the following terms is defined in the Section set forth opposite such term:

Term	Section
Approving Family Stockholder Notice....	2.5
Date of Confirmation.....	2.5
Family Directors.....	2.2
Independent Directors.....	2.2
Management Director.....	2.2
Significant Actions.....	2.5

ARTICLE 2

BOARD COMPOSITION AND CORPORATE GOVERNANCE

SECTION 2.1 Number of Directors; Term; Quorum; Vote. The bylaws of Micro shall provide for a Board consisting of at least seven and no more than nine members. The term of each director will be one year, commencing immediately following the annual meeting of stockholders at which such director is to be elected and ending at such time after the next annual meeting of stockholders as his or her successor is elected and qualified or upon such director's death, or earlier resignation or removal in accordance with this Agreement or applicable law. Except as otherwise provided herein, the bylaws of Micro shall provide that the vote of a majority of the entire Board of directors shall be required for all actions of the Board.

SECTION 2.2 Qualifications of Directors; Subsequent Nominations of Directors.

(a) Composition and Qualifications of the Board. The Family Stockholders agree to vote their shares of Micro Common Shares to cause the Board, from and after the date of this Agreement and until their successors are duly elected and qualified in accordance with law and the terms of this Agreement, to consist of the chief executive officer of Micro, four individuals named by the Family Stockholders and who may be Family Stockholders, and the individuals who shall be Independent and who shall have been approved by the Family Stockholders. All subsequent nominations of persons for election to the Board contained in proxy soliciting material distributed on behalf of Micro during the term of this Agreement will be made by the Nominating Committee, and all persons proposed to fill vacancies on the Board, shall in each case be consistent with the provisions of Micro's bylaws which shall provide the following qualifications for directors:

(i) Three individuals who are designated by the Family Stockholders and who need not be Independent and may be Family Stockholders (the "Family Directors");

(ii) One individual who is designated by the chief executive officer of Micro, who need not be Independent and who may be the chief

executive officer of Micro (the "Management Director"); and

(iii) Four (in the case of a board consisting of eight directors) or five (in the case of a board consisting of nine directors) individuals, as the case may be from time to time, who shall be Independent (the "Independent Directors").

(b) Addition of Ninth Director. After the election and qualification of the eight directors as set forth in this Section 2.2 above, the Board may be expanded to nine directors by the affirmative vote of a majority of such eight directors. Such ninth director shall have the qualifications of being nominated by a majority of the Nominating Committee and shall be Independent. After the initial qualification and election of such ninth director as set forth in this Section 2.2(b), any vacancy created by the death, resignation or removal of such director shall be filled pursuant to Section 2.3 below.

SECTION 2.3 Filling of Vacancies. The bylaws of Micro shall provide that if, as a result of the death, resignation or removal of a director, a vacancy is created on the Board, the vacancy shall be filled in the following manner with individuals with the following qualifications: (a) if the vacancy resulted from the death, resignation or removal of a Family Director, the vacancy shall be filled by vote of a majority of the remaining Family Directors; (b) if the vacancy resulted from the death, resignation or removal of the Management Director, the vacancy shall be filled by a person qualifying to be a Management Director as designated by the chief executive officer of Micro; and (c) if the vacancy resulted from the death, resignation or removal of an Independent Director, the vacancy shall be filled by a person qualifying to be an Independent Director nominated by the Nominating Committee and approved by a majority of the entire Board then in office. The bylaws of Micro shall provide that if such vacancy on the Board also creates a vacancy on any committee thereof, the Board will appoint such replacement director elected in accordance with this Section 2.3 to fill the committee position or positions held by his or her predecessor.

SECTION 2.4 Committees.

(a) General. The bylaws of Micro shall provide for the designation, qualification and composition of the Board committees as set forth below and shall provide that all committees shall act by vote of the majority of the entire number of directors which constitute the committee.

i. Nominating Committee. The Nominating Committee will consist of three (3) directors, two of whom will be Family Directors, and one of whom will be the Management Director.

ii. Executive Committee. The Executive Committee will consist of three (3) directors, one of whom will be a Family Director, one of whom will be the Management Director and one of whom will be an Independent Director.

iii. Compensation Committee. The Compensation Committee will consist of three (3) directors, one of whom will be a Family Director, and two of whom will be Independent Directors. The Compensation Committee shall establish the compensation of all executive officers of Micro and shall administer all stock option, purchase and equity incentive plans.

iv. Audit Committee. The Audit Committee will consist of at least three (3) directors. At least a majority of the members of the Audit Committee will be Independent Directors.

(b) Selection and Removal of Committee Members. The bylaws shall provide that the Nominating Committee shall name the directors to serve on the Board committees and shall direct the Nominating Committee to follow the qualification requirements set forth in Sections 2.2 and 2.4(a). A Committee member shall be subject to removal from his or her position as a Committee member by the vote of a majority of the members of the Nominating Committee.

SECTION 2.5 Actions Requiring Consent of Approving Family Stockholders.

(a) Significant Actions. In addition to any vote required by applicable law, the bylaws shall provide that so long as this Agreement remains effective, the following actions ("Significant Actions") will not be taken by or on behalf of Micro without the written approval of Approving Family Stockholders, acting in their sole discretion, holding at least a majority of the Approving Voting Power held by all of the Approving Family Stockholders:

(i) any sale or other disposition or transfer of all or substantially all of the assets of Micro (considered together with its subsidiaries);

(ii) any merger, consolidation or share exchange involving Micro, other than mergers effected for administrative reasons of subsidiaries owned at least 90% by Micro which under applicable law can be effected without stockholder approval;

(iii) any issuance (or transfer from treasury) of additional equity, convertible securities, warrants or options with respect to the capital stock of Micro, or any of its subsidiaries, or the adoption of any additional equity plans by or on behalf of Micro or any of its subsidiaries except for (A) options granted or stock sold in the ordinary course of business pursuant to plans approved by the Family Stockholders, and (B) the issuance of Micro Common Shares valued at

Fair Market Value in acquisitions as to which no approval is required under subsection (iv) of this Section or as to which approval has been obtained under subsection (iv) of this Section;

(iv) any acquisition by or on behalf of Micro or one of its subsidiaries involving a total aggregate consideration in excess of 10% of Micro's stockholders' equity calculated in accordance with generally accepted accounting principles for the most recent quarter for which financial information is available (after taking into account the amount of any indebtedness for borrowed money to be assumed or discharged by Micro or any of its subsidiaries and any amounts required to be contributed, invested or borrowed by Micro or any of its subsidiaries if such contribution, investment or borrowing is reasonably contemplated by Micro to be necessary within 12 months after the date of the acquisition);

(v) guaranteeing indebtedness of an entity other than a subsidiary of Micro exceeding 5% of Micro's stockholders' equity calculated in accordance with generally accepted accounting principles for the most recent quarter for which financial information is available;

(vi) incurrence of indebtedness by Micro after the consummation of the initial public offering of Micro Common Shares (other than indebtedness incurred after the initial public offering of Micro which renews or replaces a previously existing facility so long as the aggregate amount of indebtedness is not increased) in a transaction which could be reasonably expected to reduce Micro's investment rating lower than one grade below the ratings of Micro by Moody's Investors Service ("Moody's"), Fitch Investors Service, L.P. ("Fitch") or Standard & Poor's Rating Group ("Standard & Poor's") immediately following the initial public offering, but in any event incurrence of indebtedness by Micro after the consummation of the initial public offering which could be reasonably expected to reduce such investment rating lower than Baa by Moody's; BBB- by Fitch; or BBB- by Standard & Poor's; and

(vii) any other transaction having substantially the same effect as a transaction described in clauses (i) through (vi) of this Section 2.5.

(b) Notices and Information Required To Be Given. Micro shall give notice to each of the Approving Family Stockholders of any potential, proposed or contemplated Significant Action, along with all information that Micro believes in good faith that an Approving Family Stockholder might reasonably consider to be material in deciding whether or not to approve such Significant Action (an "Approving Family Stockholder Notice"). An Approving Family Stockholder Notice will be given by Micro to each of the Approving Family Stockholders as soon as is practicable under the circumstances, but in no event later than five (5) days prior to the date on which the Significant Action is expected to occur. Micro shall be deemed to have given the required Approving Family Stockholder Notice to each Approving Family Stockholder when the Family Agent receives such Approving Family Stockholder Notice consistent with the requirements of Sections 2.5 and 3.3 and a copy of such Approving Family Stockholder Notice is delivered to Bass, Berry & Sims PLC, Attention: Leigh Walton, by telecopy to (615) 742-6298 or by physical delivery to 2700 First American Center, Nashville, TN 37238-2700.

(c) Consent Deemed to be Given. The approval of each Significant Action required to be given by the Approving Family Stockholders consistent with Section 2.5(a) will be deemed to have been given by the Approving Family Stockholders if Micro does not receive communications from the Family Agent withholding such approval within five (5) business days from the Date of Confirmation. For purposes of this Section 2.5(c) "Date of Confirmation" means the day Micro confirms the actual receipt of such Approving Family Stockholder Notice by the Family Agent and Bass, Berry & Sims PLC consistent with the requirements of Sections 2.5 and 3.3.

(d) Approving Family Stockholder Voting Power. With respect to any vote pursuant to Section 2.5, and as of any given date, each Approving Family Stockholder shall be entitled to cast a number of votes equal to (i) the Outstanding Voting Power of all Micro Common Shares owned of record by such Approving Family Stockholder, plus (ii) any voting power attributed to such Approving Family Stockholder under Exhibit A hereto.

SECTION 2.6 Other Corporate Governance Provisions; Liability Insurance.

(a) Governance by Board. Micro will be managed by or under the direction of its Board. The bylaws of Micro shall provide that each member of the Board, and all committees of the Board, shall have at all times full access to the books and records of Micro and all minutes of stockholder, Board and committee meetings, proceedings and actions and that each member of the Board shall have the right to add items to any agenda for a meeting of the Board. The bylaws of Micro shall also provide that during the period of time between each regularly scheduled meeting of the Board, management decisions requiring the immediate attention of the Board may be made with the approval of a majority of the members of the Executive Committee; provided, however, that the Executive Committee will not have the authority to approve any of the following items, all of which require the approval of the Board: (i) any action that would require the approval of the holders of a majority of the Outstanding Voting Power held by the Family Stockholders under Section 2.5 above or that would require approval of the holders of a majority of the Micro Common Shares under applicable law or under the certificate of incorporation or bylaws of Micro (provided, however, that subject to applicable law, the Board shall be entitled to delegate to the Executive Committee the authority to negotiate and finalize actions, the general terms of which have been approved by the Board); (ii) any acquisition with a total aggregate consideration in excess of 2% of Micro's stockholders' equity calculated in accordance with generally accepted accounting

principles for the most recent quarter for which financial information is available (after taking into account the amount of any indebtedness to be assumed or discharged by Micro or any of its subsidiaries and any amounts required to be contributed, invested or borrowed by Micro or any of its subsidiaries); (iii) any action outside of the ordinary course of business of Micro; or (iv) any other action involving a material shift in policy or business strategy for the Board.

(b) Directors' Liability Insurance. Unless otherwise agreed by the written consent of the Family Stockholders, Micro shall maintain, to the extent commercially available at reasonable rates, for the benefit of the directors adequate directors' liability insurance to cover the reasonably anticipated risks associated with their positions. Micro shall enter into contracts with directors which assure them of indemnification to the full extent allowable by law both while they serve as directors and thereafter and the Micro certificate of incorporation will include all applicable provisions necessary to effect the maximum protection provided by Section 102(b)(7) of the Delaware General Corporation Law.

SECTION 2.7 Agreement to Vote; Best Efforts.

(a) Generally. Each party to this Agreement agrees (i) to use its best efforts to take all actions necessary to cause the Family Directors, the Management Director and the Independent Directors to be elected or appointed to the Board, (ii) to act in a manner consistent with the intent of this Agreement in nominating and electing persons to be directors and in filling any vacancy in the membership of the Board, and (iii) to take such other necessary or appropriate actions as may be required to give effect to the provisions of this Agreement.

(b) Amendment of Class A and B Shares. The provisions of the certificate of incorporation of Micro relating to the Micro Common Shares will not be altered without the consent of a majority of the Outstanding Voting Power held by the Family Stockholders.

(c) Amendment of Bylaws. The bylaws of Micro shall provide that, during the term of this Agreement, (i) the stockholders may alter, amend, restate or repeal such bylaws or any of them, or make new bylaws, only by the affirmative vote of the holders of 75 % of the voting power of the then outstanding Micro Common Shares and (ii) the Board may alter, amend, restate or repeal such bylaws or any of them, or make new bylaws, only by the affirmative vote of three-quarters (3/4) of the members of the entire Board.

(d) No Conflicting Provisions of Certificate of Incorporation or Bylaws. Except as may be required by applicable law, during the term of this Agreement, the parties hereto agree to use their best efforts to prevent any provision of Micro's certificate of incorporation or bylaws from containing any terms inconsistent with the provisions of this Agreement, and from being amended, modified, supplemented, restated or repealed in a manner inconsistent with the provisions of this Agreement.

SECTION 2.8 Termination. This Agreement will terminate and be of no further force or effect on the first date on which the Family Stockholders and their Permitted Transferees together hold beneficially less than 25,000,000 Micro Common Shares (as such number is equitably adjusted to reflect stock splits, stock dividends, recapitalizations or other transactions in the capital stock of Micro).

ARTICLE 3

MISCELLANEOUS

SECTION 3.1 Headings. The headings in this Agreement are for convenience of reference only and shall not control or affect the meaning or construction of any provisions hereof.

SECTION 3.2 Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. This Agreement supersedes all prior agreements and understandings between the parties hereto with respect to the subject matter hereof.

SECTION 3.3 Notices. Any notice, request, instruction or other document to be given hereunder by any party hereto to another party hereto shall be in writing (including telecopier or similar writing) and shall be given to such party at its address set forth on the signature pages hereof, or to such other address as the party to whom notice is to be given may provide in a written notice to the party giving such notice, a copy of which written notice shall be on file with the Secretary of Micro. Except as otherwise provided herein, each such notice, request or other communication shall be effective (i) if given by telecopy, when such telecopy is transmitted to the telecopy number specified on the signature pages hereof and the appropriate confirmation is received, (ii) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid addressed as aforesaid or (iii) if given by any other means, when delivered at the address specified in this Section 3.3.

SECTION 3.4 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to the conflicts of law rules of such state.

SECTION 3.5 Severability. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of this

Agreement, including any such provision, in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

SECTION 3.6 Successors, Assigns, Transferees. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns. Notwithstanding the foregoing, neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by any party hereto; provided that each Family Stockholder agrees that, in connection with any transfer by such Family Stockholder of Micro Common Shares after the Split-Off to a Permitted Transferee (as defined herein), such Family Stockholder shall assign its rights hereunder with respect to the shares so transferred to the transferee of such Micro Common Shares. In such event, such transferee shall execute and deliver to Micro an instrument or instruments substantially in the form of Exhibit B hereto confirming that the transferee has agreed to be bound, to the same extent and in the same manner as the transferor, by the terms of this Agreement, a copy of which instrument shall be maintained on file with the Secretary of Micro and shall include the address of such transferee to which notices hereunder shall be sent. Neither this Agreement nor any provision hereof shall be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement, those who agree to be bound hereby and their respective successors and permitted assigns.

SECTION 3.7 Amendments; Waivers.

(a) No failure or delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

(b) Neither this Agreement nor any term or provision hereof may be amended or waived except by an instrument in writing signed, in the case of an amendment, by each of the parties hereto and, in the case of waiver, by the party against whom the enforcement of such waiver is sought.

SECTION 3.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 3.9 Remedies. The parties hereby acknowledge and agree that in the event of any breach of this Agreement, the parties would be irreparably harmed and could not be made whole by monetary damages. Each party hereto accordingly agrees (i) not to assert by way of defense or otherwise that a remedy at law would be adequate, and (ii) in addition to any other remedy to which the parties may be entitled, that the remedy of specific performance of this Agreement is appropriate in any action in court.

SECTION 3.10 Consent to Jurisdiction. Each party hereto irrevocably submits to the non-exclusive jurisdiction of any court of the State of Delaware or any United States Federal Court sitting in the State of Delaware over any suit, action or proceeding arising out of or relating to this Agreement. Each party hereto waives any right it may have to assert the doctrine of forum non conveniens or to object to venue to the extent any proceeding is brought in accordance with this Section 3.10. Nothing in this paragraph shall affect or limit any right to serve process in any manner permitted by law, to bring proceedings in the courts of any jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

SECTION 3.11 Reliance on Corporate Records of Micro. For purposes of this Agreement, Micro shall be entitled to determine the identity or existence of one or more Family Stockholders, Approving Family Stockholders and their Permitted Transferees by relying on the shareholder and other records of Micro.

SECTION 3.12 Actions by Family Stockholders. Except as otherwise provided herein, all actions required to be taken hereunder by the Family Stockholders shall be taken by the holders of a majority of the Outstanding Voting Power held by the Family Stockholders.

SECTION 3.13 Actions by the Approving Family Stockholders; Family Agent.

(a) All actions required to be taken hereunder by the Approving Family Stockholders shall be taken by the holders of a majority of the Approving Voting Power held by the Approving Family Stockholders.

(b) The Approving Family Stockholders agree to appoint a Person to serve as Family Agent on or before the date of the Split-Off, and to maintain a Family Agent for the duration of this Agreement. The appointment of a Person to serve as Family Agent shall become effective upon the receipt by Micro of a written notice pursuant to Section 3.3 of such appointment by the holders of a majority of the Approving Voting Power held by the Approving Family Stockholders. The Family Agent is authorized to report the decisions of the Approving Family Stockholders, and Micro shall be entitled to rely on a written statement from the Family Agent as to actions taken by the Approving Family Stockholders.

(c) A Family Agent shall serve in the agency capacity set forth in this Agreement until (i) this Agreement terminates pursuant to Section 2.8 or (ii) Micro receives notice from the holders of a majority of the Approving Voting Power held by the Approving Family Stockholders that another Person has been appointed as the Family Agent.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as

of the date first above written.

INGRAM MICRO INC.

By: /s/ Jeffrey R. Rodek

Name: Jeffrey R. Rodek
Title: President
1600 East Saint Andrew Place
Santa Ana, California 92705
Telecopy: 714-566-7900

/s/ Martha R. Ingram

Martha R. Ingram
120 Hillwood Drive
Nashville, TN 37215

/s/ Orrin H. Ingram, II

Orrin H. Ingram, II
1475 Moran Road
Franklin, TN 37069

/s/ John R. Ingram

John R. Ingram
311 Jackson Boulevard
Nashville, TN 37205

/s/ David B. Ingram

David B. Ingram
4417 Tyne Boulevard
Nashville, TN 37215

/s/ Robin B. Ingram Patton

Robin B. Ingram Patton
1600 Chickering Road
Nashville, TN 37215

QTIP MARITAL TRUST CREATED UNDER
THE E. BRONSON INGRAM REVOCABLE
TRUST AGREEMENT DATED JANUARY 4, 1995

By: MARTHA R. INGRAM, ORRIN H. INGRAM, JOHN R. INGRAM, DAVID B. INGRAM AND ROBIN B. INGRAM PATTON, as Co-Trustees

By: /s/ Martha R. Ingram

Name: Martha R. Ingram
Title: Co-Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

By: /s/ Orrin H. Ingram

Name: Orrin H. Ingram
Title: Co-Trustee
Address: 1475 Moran Road
Franklin, TN 37069

By: /s/ John R. Ingram

Name: John R. Ingram
Title: Co-Trustee
Address: 311 Jackson Boulevard
Nashville, TN 37205

By: /s/ David B. Ingram

Name: David B. Ingram
Title: Co-Trustee
Address: 4417 Tyne Boulevard
Nashville, TN 37215

By: /s/ Robin B. Ingram Patton

Name: Robin B. Ingram Patton
Title: Co-Trustee
Address: 1600 Chickering Road

Nashville, TN 37215

E. BRONSON INGRAM 1995 CHARITABLE
REMAINDER 5% UNITRUST

By: MARTHA R. INGRAM, as Trustee

By: /s/ Martha R. Ingram

Name: Martha R. Ingram
Title: Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

MARTHA AND BRONSON INGRAM
FOUNDATION

By: ORRIN H. INGRAM, JOHN R. INGRAM,
DAVID B. INGRAM, AND ROBIN BIGELOW
INGRAM PATTON, as Co-Trustees

By: /s/ Orrin H. Ingram

Name: Orrin H. Ingram
Title: Co-Trustee
Address: 1475 Moran Road
Franklin, TN 37069

By: /s/ John R. Ingram

Name: John R. Ingram
Title: Co-Trustee
Address: 311 Jackson Boulevard
Nashville, TN 37205

By: /s/ David B. Ingram

Name: David B. Ingram
Title: Co-Trustee
Address: 4417 Tyne Boulevard
Nashville, TN 37215

By: /s/ Robin Bigelow Ingram Patton

Name: Robin Bigelow Ingram Patton
Title: Co-Trustee
Address: 1600 Chickering Road
Nashville, TN 37215

E. BRONSON INGRAM 1994
CHARITABLE LEAD ANNUITY TRUST

By: ORRIN H. INGRAM, JOHN R. INGRAM,
DAVID B. INGRAM, AND ROBIN B.
INGRAM PATTON, as Co-Trustees

By: /s/ Orrin H. Ingram

Name: Orrin H. Ingram
Title: Co-Trustee
Address: 1475 Moran Road
Franklin, TN 37069

By: /s/ John R. Ingram

Name: John R. Ingram
Title: Co-Trustee
Address: 311 Jackson Boulevard
Nashville, TN 37205

By: /s/ David B. Ingram

Name: David B. Ingram
Title: Co-Trustee
Address: 4417 Tyne Boulevard
Nashville, TN 37215

By: /s/ Robin B. Ingram Patton

Name: Robin B. Ingram Patton
Title: Co-Trustee
Address: 1600 Chickering Road
Nashville, TN 37215

TRUST FOR ORRIN HENRY INGRAM, II,

UNDER AGREEMENT WITH E. BRONSON
INGRAM DATED OCTOBER 27, 1967

By: SUNTRUST BANK, ATLANTA,
MARTHA R. INGRAM AND FREDERIC
B. INGRAM, AS CO-TRUSTEES

By: /s/ M. Steven Carroll

Name: M. Steven Carroll
Title: Group Vice President
Address: SunTrust Bank, Atlanta
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

By: /s/ Martha R. Ingram

Name: Martha R. Ingram
Title: Co-Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

By: /s/ Frederic B. Ingram

Name: Frederic B. Ingram
Title: Co-Trustee
Address: 813 Greenway Dr.
Beverly Hills, CA 90210

TRUST FOR ORRIN HENRY INGRAM, II, UNDER
AGREEMENT WITH E. BRONSON INGRAM DATED
JUNE 14, 1968

By: SUNTRUST BANK, ATLANTA, AND
MARTHA R. INGRAM, AS CO-TRUSTEES

By: /s/ M. Steven Carroll

Name: M. Steven Carroll
Title: Group Vice President
Address: SunTrust Bank, Atlanta
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

By: /s/ Martha R. Ingram

Name: Martha R. Ingram
Title: Co-Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

TRUST FOR ORRIN HENRY INGRAM, II, UNDER
AGREEMENT WITH HORTENSE B. INGRAM DATED
DECEMBER 22, 1975

By: SUNTRUST BANK, ATLANTA,
Trustee

By: /s/ M. Steven Carroll

Name: M. Steven Carroll
Title: Group Vice President
Address: SunTrust Bank, Atlanta
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

THE ORRIN H. INGRAM IRREVOCABLE TRUST
DATED JULY 9, 1992

By: ROY E. CLAVERIE, as Trustee

By: /s/ Roy E. Claverie

Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road

Nashville, TN 37205

TRUST FOR THE BENEFIT OF ORRIN H. INGRAM
ESTABLISHED BY MARTHA R. RIVERS UNDER
AGREEMENT OF TRUST ORIGINALLY
DATED APRIL 30, 1982, AS AMENDED

By: ROY E. CLAVERIE, as Trustee

By: /s/ Roy E. Claverie

Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

TRUST FOR JOHN RIVERS INGRAM, UNDER
AGREEMENT WITH E. BRONSON INGRAM DATED
OCTOBER 27, 1967

By: SUNTRUST BANK, ATLANTA, MARTHA R.
INGRAM AND FREDERIC B. INGRAM, AS
CO-TRUSTEES

By: /s/ M. Steven Carroll

Name: M. Steven Carroll
Title: Group Vice President
Address: SunTrust Bank, Atlanta
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

By: /s/ Martha R. Ingram

Name: Martha R. Ingram
Title: Co-Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

By: /s/ Frederic B. Ingram

Name: Frederic B. Ingram
Title: Co-Trustee
Address: 813 Greenway Dr.
Beverly Hills, CA 90210

TRUST FOR JOHN RIVERS INGRAM, UNDER
AGREEMENT WITH E. BRONSON INGRAM DATED
JUNE 14, 1968

By: SUNTRUST BANK, ATLANTA AND MARTHA R.
INGRAM, AS CO-TRUSTEES

By: /s/ M. Steven Carroll

Name: M. Steven Carroll
Title: Group Vice President
Address: SunTrust Bank, Atlanta
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

By: /s/ Martha R. Ingram

Name: Martha R. Ingram
Title: Co-Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

TRUST FOR JOHN RIVERS INGRAM, UNDER
AGREEMENT WITH HORTENSE B. INGRAM DATED
DECEMBER 22, 1975

By: SUNTRUST BANK, ATLANTA, Trustee

By: /s/ M. Steven Carroll

Name: M. Steven Carroll
Title: Group Vice President
Address: SunTrust Bank, Atlanta
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

THE JOHN R. INGRAM IRREVOCABLE TRUST DATED JULY 9, 1992

By: ROY E. CLAVERIE, as Trustee

By: /s/ Roy E. Claverie

Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

TRUST FOR THE BENEFIT OF JOHN R. INGRAM ESTABLISHED BY MARTHA R. RIVERS UNDER AGREEMENT OF TRUST ORIGINALLY DATED APRIL 30, 1982, AS AMENDED

By: ROY E. CLAVERIE, as Trustee

By: /s/ Roy E. Claverie

Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

THE JOHN AND STEPHANIE INGRAM FAMILY 1996 GENERATION SKIPPING TRUST

By: WILLIAM S. JONES, as Trustee

By: /s/ William S. Jones

Name: William S. Jones
Title: Trustee
Address:

TRUST FOR DAVID B. INGRAM, UNDER AGREEMENT WITH E. BRONSON INGRAM DATED OCTOBER 27, 1967

By: SUNTRUST BANK, ATLANTA, MARTHA R. INGRAM AND FREDERIC B. INGRAM, AS CO-TRUSTEES

By: /s/ M. Steven Carroll

Name: M. Steven Carroll
Title: Group Vice President
Address: SunTrust Bank, Atlanta
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

By: /s/ Martha R. Ingram

Name: Martha R. Ingram
Title: Co-Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

By: /s/ Frederic B. Ingram

Name: Frederic B. Ingram
Title: Co-Trustee
Address: 813 Greenway Dr.
Beverly Hills, CA 90210

TRUST FOR DAVID B. INGRAM, UNDER AGREEMENT

WITH E. BRONSON INGRAM DATED JUNE 14, 1968

By: SUNTRUST BANK, ATLANTA AND MARTHA R. INGRAM, AS CO-TRUSTEES

By: /s/ M. Steven Carroll

Name: M. Steven Carroll
Title: Group Vice President
Address: SunTrust Bank, Atlanta
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

By: /s/ Martha R. Ingram

Name: Martha R. Ingram
Title: Co-Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

TRUST FOR DAVID B. INGRAM, UNDER AGREEMENT WITH HORTENSE B. INGRAM DATED DECEMBER 22, 1975

By: SUNTRUST BANK, ATLANTA, Trustee

By: /s/ M. Steven Carroll

Name: M. Steven Carroll
Title: Group Vice President
Address: SunTrust Bank, Atlanta
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

THE DAVID B. INGRAM IRREVOCABLE TRUST DATED JULY 9, 1992

By: ROY E. CLAVERIE, as Trustee

By: /s/ Roy E. Claverie

Name: ROY E. CLAVERIE
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

TRUST FOR THE BENEFIT OF DAVID B. INGRAM ESTABLISHED BY MARTHA R. RIVERS UNDER AGREEMENT OF TRUST ORIGINALLY DATED APRIL 30, 1982, AS AMENDED

By: ROY E. CLAVERIE, as Trustee

By: /s/ Roy E. Claverie

Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

DAVID AND SARAH INGRAM FAMILY 1996 GENERATION SKIPPING TRUST

By: THOMAS H. LUNN, AS TRUSTEE

By: /s/ Thomas H. Lunn

Name: Thomas H. Lunn
Title: Trustee
Address: 509 Sugartree Lane
Franklin, TN 37064

TRUST FOR ROBIN BIGELOW INGRAM, UNDER AGREEMENT WITH E. BRONSON INGRAM DATED OCTOBER 27, 1967

By: SUNTRUST BANK, ATLANTA MARTHA R. INGRAM AND FREDERIC B. INGRAM, AS CO-TRUSTEES

By: /s/ M. Steven Carroll

Name: M. Steven Carroll
Title: Group Vice President
Address: SunTrust Bank, Atlanta
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

By: /s/ Martha R. Ingram

Name: Martha R. Ingram
Title: Co-Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

By: /s/ Frederic B. Ingram

Name: Frederic B. Ingram
Title: Co-Trustee
Address: 813 Greenway Drive
Beverly Hills CA 90210

TRUST FOR ROBIN BIGELOW INGRAM, UNDER AGREEMENT WITH E. BRONSON INGRAM DATED JUNE 14, 1968

By: SUNTRUST BANK, ATLANTA AND MARTHA R. INGRAM, AS CO-TRUSTEES

By: /s/ M. Steven Carroll

Name: M. Steven Carroll
Title: Group Vice President
Address: SunTrust Bank, Atlanta
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

By: /s/ Martha R. Ingram

Name: Martha R. Ingram
Title: Co-Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

By: /s/ Frederic B. Ingram

Name: Frederic B. Ingram
Title: Co-Trustee
Address: 813 Greenway Drive
Beverly Hills CA 90210

TRUST FOR ROBIN BIGELOW INGRAM, UNDER AGREEMENT WITH HORTENSE B. INGRAM DATED DECEMBER 22, 1975

By: SUNTRUST BANK, ATLANTA, Trustee

By: /s/ M. Steven Carroll

Name: M. Steven Carroll
Title: Group Vice President
Address: SunTrust Bank, Atlanta
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

THE ROBIN INGRAM PATTON IRREVOCABLE TRUST DATED JULY 9, 1992

By: ROY E. CLAVERIE, as Trustee

By: /s/ Roy E. Claverie

Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

TRUST FOR THE BENEFIT OF ROBIN B. INGRAM ESTABLISHED BY MARTHA R. RIVERS UNDER AGREEMENT OF TRUST ORIGINALLY DATED APRIL

30, 1982, AS AMENDED

By: ROY E. CLAVERIE, as Trustee

By: /s/ Roy E. Claverie

Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

EXHIBIT A

Attribution of Approving Voting Power

1. With respect to any vote pursuant to Section 2.5, and as of any given date, Martha R. Ingram shall be attributed and entitled to cast a number of votes equal to the Outstanding Voting Power of all Micro Common Shares owned by Trust for John Rivers Ingram, under an Agreement with E. Bronson Ingram dated June 14, 1968, plus the Outstanding Voting Power of all Micro Common Shares owned by the Trust for David B. Ingram, under an Agreement with E. Bronson Ingram dated October 27, 1967, plus the Outstanding Voting Power of all Micro Common Shares owned by the Trust for the Benefit of David Bronson Ingram, dated June 14, 1968, plus the Outstanding Voting Power of all Micro Common Shares owned by the Trust for Robin Bigelow Ingram, under an Agreement with E. Bronson Ingram dated June 14, 1968.

2. With respect to any vote pursuant to Section 2.5, and as of any given date, Orrin H. Ingram, II shall be attributed and entitled to cast a number of votes equal to twenty-five percent (25%) of the Outstanding Voting Power of all Micro Common Shares owned by E. Bronson Ingram 1994 Charitable Lead Annuity Trust.

3. With respect to any vote pursuant to Section 2.5, and as of any given date, John R. Ingram shall be attributed and entitled to cast a number of votes equal to twenty-five percent (25%) of the Outstanding Voting Power of all Micro Common Shares owned by E. Bronson Ingram 1994 Charitable Lead Annuity Trust.

4. With respect to any vote pursuant to Section 2.5, and as of any given date, David B. Ingram shall be attributed and entitled to cast a number of votes equal to twenty-five percent (25%) of the Outstanding Voting Power of all Micro Common Shares owned by E. Bronson Ingram 1994 Charitable Lead Annuity Trust.

5. With respect to any vote pursuant to Section 2.5, and as of any given date, Robin B. Ingram Patton shall be attributed and entitled to cast a number of votes equal to twenty-five percent (25%) of the Outstanding Voting Power of all Micro Common Shares owned by E. Bronson Ingram 1994 Charitable Lead Annuity Trust.

EXHIBIT B

FORM OF AGREEMENT TO BE BOUND

[DATE]

To the Parties to the Board Representation Agreement
Dated as of _____, ____

Ladies and Gentlemen:

Reference is made to the Board Representation Agreement (the "Agreement") dated as of _____ among Ingram Micro Inc. and the Persons listed on the signature pages thereof.

In consideration of the transfer to the undersigned of Micro Common Shares (as defined in the Agreement), the undersigned hereby confirms and agrees to be bound by all of the provisions of the Agreement applicable to the transferor.

This letter shall be construed and enforced in accordance with the laws of the State of Delaware without regard to the conflicts of law rules of such state.

Very truly yours,

Permitted Transferee

EXHIBIT 10.16

THRIFT PLAN LIQUIDITY AGREEMENT

THRIFT PLAN LIQUIDITY AGREEMENT dated as of November 6, 1996 between Ingram Micro Inc., a Delaware corporation ("MICRO"), and the Ingram Thrift Plan (together with its successors and permitted assigns, the "THRIFT PLAN").

In consideration of the mutual promises set forth below (the mutuality, adequacy and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

SECTION 1.1. DEFINITIONS. The following terms, as used herein, have the following meanings:

"BENEFITS TRANSFER AGREEMENT" means the Employee Benefits Transfer and Assumption Agreement of even date herewith among Micro, Ingram Industries Inc. and Ingram Entertainment Inc.

"COMMISSION" means the Securities and Exchange Commission.

"ELIGIBLE REPURCHASE PERIOD" means the period commencing on the effective date of the initial Public Offering and ending on the effective date of any registration statement filed pursuant to Section 2.1(b); provided that the "Eligible Repurchase Period" shall not include any period (i) commencing on the date of delivery of a written notice by Micro pursuant to Section 2.1(a), 2.1(b) or 2.1(c) and (ii) ending on the day following the earliest to occur of (a) the last day of effectiveness of the registration statement in respect of which such notice was delivered, (b) the day after the date on which such registration statement is withdrawn pursuant to Section 2.3 or (c) the 90th day after the date of such written notice,

if such registration statement shall not have been declared effective by such time.

"FAIR MARKET VALUE" means, with respect to one share of Micro Common Stock as of any date, the reported closing price on such date of a share of Micro Common Stock on such exchange or market as is the principal trading market for the Micro Common Stock (regardless of whether such listed or traded share of Micro Common Stock is of the same class as the share of Micro Common Stock in respect of which the determination of Fair Market Value is being made).

"LIQUIDITY EVENT" means any event that requires that shares of Micro Common Stock held by the Thrift Plan be sold in order to fund a distribution to a participant required pursuant to the terms of the Thrift Plan consistent with past practice.

"MICRO COMMON STOCK" means the common stock of Micro, including without limitation the Class A common stock and the Class B common stock, par value $0.01 per share, of Micro.

"PUBLIC OFFERING" means a public offering of Micro Common Stock pursuant to an effective registration statement under the Securities Act, other than pursuant to a registration statement on Form S-4 or Form S-8 or any successor or similar form.

"REGISTRABLE SECURITIES" means, as of any date, (i) shares of Micro Common Stock held by the Thrift Plan that the trustees of the Thrift Plan determine, in their good faith opinion, should be sold as of such date in order to comply with the provisions of Section 404(a) of The Employee Retirement Income Security Act of 1974, as amended and (ii) shares of Micro Common Stock in respect of which a Liquidity Event has occurred as of such date. Registrable Securities shall cease to be Registrable Securities when (x) a registration statement with respect to the disposition of such securities shall have become effective under the Securities Act and such securities shall have been disposed of pursuant to such effective registration statement, (y) such securities shall have been sold under circumstances in which all of the applicable conditions of Rule 144 under the Securities Act are met or (z) such securities may be sold pursuant to Rule 144(k) under the Securities Act or otherwise in the public market without being registered under the Securities Act.

"REGISTRATION EXPENSES" means all (i) registration and filing fees, (ii) fees and expenses of compliance with

securities or blue sky laws and the reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities, (iii) printing expenses, (iv) internal expenses of Micro (including, without limitation, all salaries and expenses of officers and employees performing legal or accounting duties), (v) fees and disbursements of counsel for Micro, (vi) customary fees and expenses for independent certified public accountants retained by Micro (including the expenses of any comfort letters or costs associated with the delivery by independent certified public accountants of a comfort letter or comfort letters), (vii) fees and expenses of any special experts retained by Micro in connection with such registration and (viii) fees and expenses of listing the Registrable Securities to be registered pursuant to this Agreement on a securities exchange.

"SECURITIES ACT" means the Securities Act of 1933, as amended.

ARTICLE 2

REGISTRATION PROVISIONS; SHARE REPURCHASES

SECTION 2.1. SECURITIES ACT REGISTRATION. (a) Micro may elect, by delivery of written notice to the Thrift Plan, to effect the registration, as soon as practicable following the initial Public Offering, of Registrable Securities on Form S-1 under the Securities Act; provided that if such registration shall not have been effected within 90 days following such initial Public Offering, Micro shall be obligated to repurchase such Registrable Securities on the terms and conditions set forth in Section 2.4(a). The Thrift Plan shall deliver written notice to Micro, within ten days after receipt by the Thrift Plan of such written notice from Micro, of the number of Registrable Securities to be included in such registration. Whether to make any election to effect the registration of such Registrable Securities shall be in the sole and absolute discretion of Micro.

(b) Micro may elect, by delivery of written notice to the Thrift Plan, to effect the registration, as soon as practicable following the first anniversary of the effective date of the initial Public Offering, of the Registrable Securities on Form S-3 under the Securities Act; provided that if such registration shall not have been effected within 90 days following such anniversary, Micro

shall be obligated to repurchase such Registrable Securities on the terms and conditions set forth in Section 2.4(a). The Thrift Plan shall deliver written notice to Micro, within ten days after receipt by the Thrift Plan of such written notice from Micro, of the number of Registrable Securities to be included in such registration. Whether to make any election to effect the registration of such Registrable Securities shall be in the sole and absolute discretion of Micro.

(c) Micro shall deliver written notice to the Thrift Plan in the event that Micro is required to use its best efforts to effect a registration pursuant to Section 7.01(b) of the Stock Option, SAR and ISU Conversion and Exchange Agreement dated as of September 4, 1996 among Micro and the other parties thereto. The Thrift Plan shall then deliver written notice to Micro, within ten days after receipt by the Thrift Plan of such written notice from Micro, of the number of Registrable Securities to be included in any such registration, and Micro shall use its best efforts to include such Registrable Securities in such registration.

SECTION 2.2. EFFECTIVENESS OF REGISTRATIONS. (a) Micro shall use its best efforts to cause any registration pursuant to Section 2.1(a) to remain effective (and not be subject to any stop order, injunction or other order or requirement of the Commission or other governmental agency or court for any reason) for a period of not less than 30 days following the date on which such registration was declared effective, or, if earlier, the date on which all Registrable Securities registered thereunder have been sold.

(b) Subject to Section 2.3(b), Micro shall use its best efforts to cause any registration pursuant to Section 2.1(b) to remain effective (and not be subject to any stop order, injunction or other order or requirement of the Commission or other governmental agency or court for any reason) for the period beginning on the date on which such registration was declared effective and ending on the date on which all Registrable Securities registered thereunder have been sold or, if earlier, the date on which no Registrable Securities remain outstanding.

SECTION 2.3. EXPENSES; MICRO DISCRETION. (a) Micro shall pay all Registration Expenses in connection with any registration effected pursuant to the terms of this Agreement.

(b) With respect to any registration statement filed or to be filed pursuant to this Agreement, if the Board of Directors of Micro shall determine, in its good faith judgment, that to maintain the effectiveness of such registration statement or to permit such registration statement to become effective (or, if no registration statement has yet been filed, to file such a registration statement) would be significantly disadvantageous to Micro, Micro may cause such registration statement to be withdrawn and the effectiveness of such registration statement to be temporarily suspended or, if no registration statement has yet been filed, delay the filing of such registration statement. Micro shall not be liable for the failure of any such registration statement to become effective provided that Micro complies with its obligations under this Agreement; provided that, if any registration effected pursuant to Section 2.1(a) or 2.1(b) is so withdrawn or delayed for a period of more than 120 consecutive days, Micro shall be obligated to repurchase the Registrable Securities to have been included in such registration on the terms and conditions set forth in Section 2.4(a).

SECTION 2.4 SHARE REPURCHASES. (a) Subject to Section 2.4(d), if a registration of Registrable Securities shall not have been effected during the applicable time period specified in Section 2.1(a) or 2.1(b), or if required pursuant to Section 2.3(b), the Thrift Plan may elect, by written notice delivered to Micro within 90 days following the expiration of the time period specified in Section 2.1(a) or Section 2.1(b), respectively, or the expiration of the 120-day period referred to in Section 2.3(b), to sell to Micro the Registrable Securities otherwise to have been included in such registration at a purchase price, payable in cash, equal to the Fair Market Value of such Registrable Securities as of the date such purchase is effected pursuant to Section 2.4(c) and otherwise in the manner set forth herein.

(b) Subject to Section 2.4(d), at any time during the Eligible Repurchase Period, the Thrift Plan may elect, by written notice delivered to Micro, to sell to Micro, and Micro shall be required to purchase from the Thrift Plan, the shares of Micro Common Stock with respect to which a Liquidity Event has occurred, at a purchase price, payable in cash, equal to the Fair Market Value of such shares as of the date such purchase is effected pursuant to Section 2.3(c) and otherwise in the manner set forth herein; provided that Micro shall not be obligated to make a repurchase pursuant to this Section 2.4(b) on more than one occasion during any calendar month.

(c) The closing of any repurchase made pursuant to this Section 2.4 shall be effected in one lump sum and, subject to Section 2.4(b), shall be consummated as promptly as practicable following receipt of the written notice from the Thrift Plan referred to in Section 2.4(a) or 2.4(b) upon at least five days' prior notice by Micro of the date, time and place of the closing of such repurchase.

(d) Notwithstanding anything herein to the contrary, (i) Micro shall not be obligated to make any such purchase if Micro determines in good faith that such purchase would adversely affect the qualification of the transactions contemplated by the Exchange Agreement or Reorganization Agreement (as defined in the Benefits Transfer Agreement) for tax-free treatment under Section 355 of the Internal Revenue Code, as amended, or if such purchase would be prohibited by the terms of any credit facility or financing agreement of Micro then in effect, and (ii) Micro shall not be obligated to repurchase pursuant to Section 2.4(a), during any fiscal year, Registrable Securities of the type described in clause (i) of the definition of "Registrable Securities" having an aggregate purchase price in excess of the greater of $10 million or 3% of the stockholders equity of Micro as of the beginning of such fiscal year (it being understood that shares of Micro Common Stock shall be repurchased on a first-come, first-served basis until the limit for such fiscal year has been reached).

(e) Micro hereby agrees to use commercially reasonable efforts to negotiate the terms of each credit facility and financing agreement of Micro so as to minimize any restrictions on the ability of Micro to make repurchases hereunder.

ARTICLE 3

MISCELLANEOUS

SECTION 3.1. HEADINGS. The headings in this Agreement are for convenience of reference only and shall not control or affect the meaning or construction of any provisions hereof.

SECTION 3.2. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. This Agreement supersedes all prior agreements and understandings between the parties hereto with respect to the subject matter hereof.

SECTION 3.3. NOTICES. Any notice, request, instruction or other document to be given hereunder by either party hereto to the other party hereto shall be in writing (including telecopier or similar writing) and shall be given to such party at its address set forth on the signature pages hereof, or to such other address as the party to whom notice is to be given may provide in a written notice to the party giving such notice. If notice is given pursuant to this Section of a successor or permitted assign of a party to this Agreement, then notice shall thereafter be given as set forth above to such successor or assign. Each such notice, request or other communication shall be effective (i) if given by telecopy, when such telecopy is transmitted to the telecopy number specified on the signature pages hereof and electronic or oral confirmation of receipt is received, (ii) if given by mail, at the close of business on the third business day after such communication is deposited in the mails with first class postage prepaid addressed as aforesaid or (iii) if given by any other means, when delivered at the address specified in this Section 3.3.

SECTION 3.4. APPLICABLE LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to the conflicts of law rules of such state.

SECTION 3.5. SEVERABILITY. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of this Agreement, including any such provision, in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

SECTION 3.6. SUCCESSORS, ASSIGNS. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by Micro or by the Thrift Plan; provided that the Thrift Plan may assign its rights hereunder to the Micro Thrift Plan or the Entertainment Thrift Plan (each as defined in the Benefits Transfer Agreement) in connection with any transfer of Micro Common Stock to the Micro Thrift Plan or Entertainment Thrift Plan, respectively, pursuant to Section 3.1 of the Benefits Transfer Agreement; provided that each such assignee shall have executed and delivered to Micro an instrument in form and substance satisfactory to Micro pursuant to which such assignee shall have agreed to be bound by the terms of this Agreement. This Agreement is

binding upon the parties to this Agreement and their respective successors and permitted assigns and inures to the benefit of the parties to this Agreement and their respective successors and assigns. Neither this Agreement nor any provision hereof shall be construed so as to confer any right or benefit upon any entity other than the parties to this Agreement, those who agree to be bound hereby and their respective successors and assigns. References to a party to this Agreement are also references to any successor or permitted assign of such party and, when appropriate to effect the binding nature of this Agreement for the benefit of another party, any other successor or assign of a party.

SECTION 3.7. AMENDMENTS; WAIVERS. (a) No failure or delay on the part of either party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) Neither this Agreement nor any term or provision hereof may be amended or waived except by an instrument in writing signed by the parties hereto.

SECTION 3.8. COUNTERPARTS. This Agreement may be executed in two counterparts, both of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 3.9. REMEDIES. The parties hereby acknowledge and agree that in the event of any breach of this Agreement, the parties would be irreparably harmed and could not be made whole by monetary damages. Each party hereto accordingly agrees (i) not to assert by way of defense or otherwise that a remedy at law would be adequate, and (ii) in addition to any other remedy to which the parties may be entitled, that the remedy of specific performance of this Agreement is appropriate in any action in court. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 3.10. EFFECTIVENESS. This Agreement shall become effective commencing on the effective date of the initial Public Offering.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INGRAM MICRO INC.

By: /s/ Jeffrey R. Rodek

Name: Jeffrey R. Rodek
Title: President
1600 Saint Andrew Place
Santa Ana, CA 92705
Telecopy: (714) 566-7900

INGRAM THRIFT PLAN

By W.M. HEAD, R.E. CLAVERIE
AND T.H. LUNN,
as Co-Trustees

By: /s/ William M. Head

Name: William M. Head
Title: Co-Trustee
Address: 1229 Nichol Lane
Nashville, TN 37205

By: /s/ R.E. Claverie

Name: R.E. Claverie
Title: Co-Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

By: /s/ T.H. Lunn

Name: T.H. Lunn
Title: Co-Trustee
Address: 509 Sugartree Lane
Franklin, TN 37064

EXHIBIT 10.17

Tax Sharing and Tax Services Agreement

This Agreement is entered into the 6th day of November, 1996, by and among Ingram Industries Inc. ("Industries"), Ingram Entertainment Inc. ("Entertainment") and Ingram Micro Inc. ("Micro") (Entertainment and Micro are sometimes hereinafter referred to collectively as the "Subsidiaries" and individually as a "Subsidiary").

WHEREAS, Industries is the common parent corporation of an affiliated group of corporations (the "Affiliated Group") within the meaning of section 1504(a) of the Internal Revenue Code of 1986, as amended (the "Code"), which files consolidated federal income tax returns ("Consolidated Federal Returns");

WHEREAS, the Subsidiaries are currently wholly-owned subsidiaries of Industries and members of the Affiliated Group;

WHEREAS, Industries files consolidated, combined or unitary state income tax returns (collectively, "Consolidated State Returns") in certain states for groups of corporations which include the Subsidiaries;

WHEREAS, Industries is distributing all of its stock in each of the Subsidiaries to certain of the shareholders of Industries in split-off transactions (each, a "Split-off" and together, the "Split-offs");

WHEREAS, the parties hereto desire to set forth their agreement concerning the manner in which various matters relating to federal state and foreign taxes based upon income (collectively, "Income Taxes") will be handled after the dates of the Split-offs;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

1. Termination of Other Income Tax Sharing Agreements. Any existing Income Tax sharing agreements or arrangements, whether written or unwritten, between Industries and a Subsidiary shall terminate on the date of the Split-off of such Subsidiary, (the "Subsidiary's Split-off Date"), and this Agreement shall thereafter constitute the sole Income Tax sharing agreement between Industries and such Subsidiary.

2. Filing of Income Tax Returns and Payment of Tax Liability.

(a) Federal Income Tax Returns.

(i) Return for Affiliated Group. Industries will prepare and file the Consolidated Federal Return for the Affiliated Group for the taxable year which includes a Subsidiary's Split-off Date.

(ii) Separate Federal Income Tax Returns. Industries shall prepare on behalf of each Subsidiary, in consideration of a fee to be negotiated by the parties, a separate federal income tax return for the short taxable year of such Subsidiary which begins immediately after such Subsidiary's Split-off Date.

(b) State Income Tax Returns.

(i) Consolidated State Income Tax Returns. Industries shall prepare and file state income tax returns for the taxable year which includes a Subsidiary's Split-off Date for those states in which Consolidated State Returns are filed.

(ii) Separate State Income Tax Returns. With respect to those states in which a Subsidiary files a separate income tax return, Industries shall prepare on behalf of such Subsidiary, in consideration of a fee to be negotiated by the parties, an income tax return for the taxable year of the Subsidiary which includes such Subsidiary's Split-off Date. With respect to those states in which Consolidated State Returns are filed in accordance with Section 2(b)(i) above, Industries shall prepare on behalf of each Subsidiary, in consideration of a fee to be negotiated by the parties, a separate income tax return for the short taxable year of the Subsidiary which begins immediately after such Subsidiary's Split-off Date.

(c) In preparing the Consolidated Federal Return and any Consolidated State Returns for the taxable period which includes a Subsidiary's Split-off Date, the items attributable to such Subsidiary for the portion of such taxable period ending on the Subsidiary's Split-off Date shall be determined by closing the books of the Subsidiary as of the Subsidiary's Split-off Date. All such returns shall be prepared using the same procedures and on the same basis as returns for prior periods, except as the parties hereto may otherwise agree.

(d) Payment of Tax.

(i) Consolidated Federal and State Returns. Within thirty (30) days after the Consolidated Federal Return and each Consolidated State Return for the taxable year which includes a Subsidiary's Split-off Date is filed, Industries shall notify such Subsidiary of the amount of the tax

liability reflected on such return which is allocable to such Subsidiary. Such Subsidiary shall pay to Industries, within ten (10) days after the date of such notice, the excess of the amount of tax liability reflected on such tax return which is allocable to the Subsidiary over the amount previously paid by such Subsidiary to Industries with respect to the Subsidiary's tax liability for such taxable year, together with interest, at the intercompany rate of interest determined by Industries' Treasury Department (the "Inter-Company Rate") for such period, on such excess amount for the period from the date the tax return is filed until the date of payment by the Subsidiary. In the event that the amount of tax liability reflected on such tax return which is allocable to the Subsidiary is less than the amount previously paid by such Subsidiary to Industries with respect to the Subsidiary's tax liability for such taxable year, Industries shall pay such Subsidiary the difference, together with interest at the Inter-Company Rate on such amount for the period from the date the tax return is filed until the date of payment to the Subsidiary; provided, however, that interest shall only be paid to the extent such Subsidiary's overpayment was used to fund an underpayment by Industries or another Subsidiary or interest on such overpayment was actually received from the relevant taxing authority. Industries shall allocate the tax liability reflected on the Consolidated Federal Return and each Consolidated State Return in accordance with the method prescribed in Treas. Reg. Section 1.1552-1(a)(3).

(ii) Separate Federal and State Returns. Each Subsidiary shall be responsible for the payment of any Income Tax liability reflected on the Separate Income Tax returns prepared by Industries on behalf of such Subsidiary pursuant to Sections 2(a)(ii) and 2(b)(ii) of this Agreement.

3. Subsequent Adjustments.

(a) In the event that adjustments are made to a Consolidated Federal Return, a Consolidated State Return or a foreign or separate state Income Tax return of Industries or a Subsidiary for any taxable year or portion thereof ending on or before the date of the Split-off of Micro (the "Micro Split-off Date"), whether by reason of an audit, amended return or otherwise, and such adjustments result in an increase in the Income Tax liability for such taxable period, the responsibility for the payment of such increase in Income Tax liability and any interest, penalties, or additions to tax imposed with respect to such increase (collectively, a "Deficiency") shall, except as provided Section 3(c) and Section 4(b) below, be determined in the following manner:

(i) The amount of a Deficiency shall first be offset against and reduce the amount reflected in the reserve for taxes recorded on the books of Industries as of the Micro Split-off Date (the "Reserve"). Industries shall be responsible for payment of the amount of such Deficiency which is offset against the Reserve in accordance with this Section 3(a)(i).

(ii) To the extent that the amount of a Deficiency exceeds the balance in the Reserve (after giving effect to any prior reduction in the Reserve made pursuant to this Agreement), the parties hereto shall be responsible for the payment of the amount of such excess in the following proportions:

Industries	23.01 percent
Micro	72.84 percent
Entertainment	4.15 percent;

(iii) Provided, however, that in the event that a Deficiency involves a timing issue and results in a decrease in income or an increase in a deduction, credit or other tax attribute (an "Offsetting Adjustment") for a taxable period or portion thereof beginning after the Micro Split-off Date, the amount of the Deficiency to be taken into account for purposes of applying Sections 3(a)(i) and 3(a)(ii) above shall be reduced by the present value (using a discount rate equal to 10 percent) of the tax benefit (based on the applicable maximum corporate tax rate in effect on the date of such adjustment) which will result from the Offsetting Adjustment and the Subsidiary benefiting from such Offsetting Adjustment shall pay 100 percent of the foregoing reduction in the Deficiency.

(b) In the event that a Deficiency is imposed with respect to a Consolidated Federal Return or Consolidated State Return, or a foreign or a separate state Income Tax Return of Entertainment, and any portion of such Deficiency is attributable to items of Entertainment for the period beginning immediately after the Micro Split-off Date and ending on the date of the Split-off of Entertainment (the "Interim Period"), such portion of the Deficiency (the "Interim Period Deficiency") shall first be offset against and reduce the amount reflected in the reserve for taxes recorded on the books of Industries for the Interim Period (the "Interim Period Reserve"), which shall be established using the same procedures and on the same basis as in prior periods. Industries shall be responsible for payment of the amount of any Interim Period Deficiency which is offset against the Interim Reserve pursuant to this Section 3(b). To the extent that the Interim Period Deficiency exceeds the balance in the Interim Period Reserve (after giving effect to any prior reduction in the Interim Period Reserve made under this Agreement), Entertainment shall be solely responsible for the payment of the amount of such excess.

(c) Notwithstanding the provisions of Section 3(a) or 3(b), (i) if either the Split-off of Micro or the Split-off of Entertainment fails to qualify for tax-free treatment under Section 355 of the Code as the result of the breach by one of Industries, Micro or Entertainment of a representation or covenant contained in Section 6.2 or Section 6.3 of the

Amended and Restated Exchange Agreement dated September 4, 1996, as amended and restated on October 17, 1996 (the "Exchange Agreement"), to which Industries and the Subsidiaries are parties, the responsibility for the payment of any resulting Deficiency shall be borne solely by the corporation which committed such breach; and in the event the Deficiency results from the breach by more than one of the corporations of such representations or covenants, the responsibility for the payment of the Deficiency shall be shared by each of the corporations which committed such breach in the proportion which the percentage specified for such corporation in Section 3(a)(ii) bears to the sum of the percentages specified therein for each of the corporations which committed such breach; and (ii) if a Deficiency is attributable to a transaction, other than the Split-offs, which was consummated pursuant to the Amended and Restated Reorganization Agreement dated September 4, 1996, as amended and restated on October 17, 1996 (the "Reorganization Agreement"), among Industries, Micro and Entertainment, the responsibility for the payment of such Deficiency shall be borne 23.01 percent by Industries, 72.84 percent by Micro and 4.15 percent by Entertainment, as determined after the application of the procedures set forth in Section 3(a)(iii), if appropriate.

(d) In the event that the Split-off of Entertainment fails to qualify for tax-free treatment under Section 355 of the Code and Section 3(c)(i) of this Agreement is not applicable, the amount of the resulting Deficiency shall first be offset against and reduce the amount reflected in the Interim Reserve and, to the extent that such Deficiency exceeds the balance in the Interim Reserve (after giving effect to any prior reduction in the Interim Reserve made under this Agreement), shall then be offset against and reduce the balance reflected in the Reserve (after giving effect to any prior reduction in the Reserve made under this Agreement); provided, however, that no such offset against and reduction of the Reserve shall be permitted if (i) the Split-off of Entertainment was not completed in accordance with the provisions of the Exchange Agreement and the Reorganization Agreement, or (ii) the facts and circumstances of the Split-off of Entertainment differed in any material respect from the description thereof (including the representations relating thereto) set forth in the private letter ruling dated October 16, 1996 from the Internal Revenue Service regarding the Split-offs unless a supplemental private letter ruling reasonably satisfactory to Micro addressing any such differences is obtained prior to such Split-off. Industries shall be responsible for the payment of the amounts of such resulting Deficiency which are offset against the Interim Reserve and the Reserve in accordance with this Section 3(d). To the extent that the amount of the resulting Deficiency exceeds the amount offset against the Interim Reserve and the Reserve under this Section 3(d), the responsibility for the payment of such excess amount shall be borne 23.01 percent by Industries, 72.84 percent by Micro and 4.15 percent by Entertainment. In all other instances, the Deficiency shall be borne 84.72 percent by Industries and 15.28 percent by Entertainment.

4. Refunds.

(a) In the event that a refund of Income Tax (other than a refund attributable to a carryback of a loss or tax credit) is received by Industries with respect to a Federal Consolidated Return or a State Consolidated Return for any taxable year or portion thereof ending on or before a Subsidiary's Split-off Date, the portion of such refund which is attributable to items of a Subsidiary shall be promptly paid by Industries to such Subsidiary, together with any interest received on such portion; provided, however, that in the event that a refund is received with respect to an amount of a Deficiency which was paid by Industries or a Subsidiary in accordance with Section 3 above, Industries and each Subsidiary shall be entitled to the portion of such refund, together with interest thereon, which is the same as the proportion of the Deficiency which was paid by such party.

(b) In the event that a Subsidiary has a net operating loss, net capital loss or credits against tax for a taxable year beginning after such Subsidiary's Split-off Date which, under applicable federal or state law, may be carried back to a Consolidated Federal Return or State Consolidated Return for a taxable period or portion thereof of the Subsidiary which ends on or before such Subsidiary's Split-off Date, Industries shall pay to such Subsidiary, within ten (10) days of the receipt of such refund, the amount of the Income Tax benefit actually received by the Affiliated Group or the applicable state consolidated, combined or unitary group, as the case may be, as a result of such carryback. The tax benefit received as a result of a carryback shall be considered to be equal to the excess of (i) the Income Taxes which would have been payable for the taxable period to which the loss or credit is carried in the absence of such carryback over (ii) the Income Taxes actually payable for such period after taking such carryback into effect. In the event that any portion of a carryback is disallowed following payment to a Subsidiary of the tax benefit received from such carryback, the Subsidiary shall repay to Industries the amount which would not have been payable to the Subsidiary hereunder if only the portion of the carryback actually allowed had been taken into account.

5. Allocation of Items. In the case of an assessment or refund which is imposed or received with respect to an Income Tax Refund filed for a taxable period that includes but does not end on a Subsidiary's Split-off Date, the amount of the assessment or refund which relates to the portion of the taxable period ending on such Subsidiary's Split-off Date shall be determined by allocating the items to which the assessment or refund relates to the date on which such items are properly taken into account for Income Tax purposes, and in the case of any item which cannot be allocated to a specific date, by ratably allocating such item between the portion of the taxable period ending on such Subsidiary's Split-off Date and the portion of the taxable period beginning immediately after such Subsidiary's Split-off Date based on the number of days in such respective portions.

6. Certain Changes. Following a Subsidiary's Split-off Date, neither Industries nor such Subsidiary shall, without the prior written consent of the other parties to this Agreement, make or change any Income Tax election, adopt or change any accounting method, file any amended Income Tax Return or agree to or settle any claim, proposed adjustment or assessment if such action would result in an increase in Income Tax liability or a reduction in any deduction, credit, loss or other Income Tax attribute for any taxable period or portion thereof of Industries or such Subsidiary which ends on or before such Subsidiary's Split-off Date.

7. Deductions Related to Options. It is agreed by the parties that where an option to purchase stock of Industries which is held by an employee of Industries or Entertainment is converted in connection with the Micro Split-off into an option to purchase stock of Micro, and Micro issues its stock to such employee pursuant to the exercise of the converted option, then, to the extent that Industries or Entertainment is entitled to an Income Tax deduction for the amount of compensation which results to the employee from exercise of the converted option, Industries or Entertainment shall pay to Micro the amount of the tax benefit received by such corporation from the compensation deduction.

8. Contests. Industries shall have the right to control any audit, administrative or judicial proceeding involving a claim, proposed adjustment, assessment or other contest with respect to a Consolidated Federal Return, Consolidated State Return, or a separate Income Tax return filed by Industries or a Subsidiary for any taxable period or portion thereof ending on or prior to such Subsidiary's Split-off Date, and Industries shall have the right to determine when to settle such claim, adjustment, assessment or contest; provided, however, that Industries shall consult with a Subsidiary regarding any such proceeding to the extent that such proceeding may affect the tax liability of such Subsidiary for a taxable period or portion thereof beginning after such Subsidiary's Split-off Date and shall obtain the consent of a Subsidiary, which consent shall not be unreasonably withheld, to any proposed settlement if such settlement would increase the tax liability of such Subsidiary for a taxable period or portion thereof beginning after such Subsidiary's Split-off Date. The legal fees and other expenses incurred by Industries in connection with any such proceeding shall be borne 23.01 percent by Industries, 72.84 percent by Micro and 4.15 percent by Entertainment for proceedings related to periods ending on or before the Micro Split-off Date. For proceedings relating to the Interim Period, any such fees and expenses shall be borne 84.72 percent by Industries and 15.28 percent by Entertainment. Industries shall allow a Subsidiary and its counsel to participate in any such proceeding to the extent that the proceeding relates to such Subsidiary, and the legal fees and other expenses incurred by a Subsidiary in this regard shall be borne by the parties in the same proportions set forth in the immediately preceding sentence.

9. Cooperation and Assistance. Industries and each Subsidiary agree to provide each other with such cooperation and information as either of them may reasonably request in connection with the preparation of Income Tax returns, amended returns, claims for refunds or other income tax filings or the conduct of any audit, administrative or judicial proceeding relating to Income Taxes. Industries and each Subsidiary further agree to retain all books, records, documents, accounting data or other information which relate to Income Tax returns for taxable periods ending on or prior to or which include such Subsidiary's Split-off Date, until the expiration of the applicable statute of limitations (giving effect to any extension, waiver or mitigation thereof).

10. Governing Law. This Agreement shall be construed under and governed by the laws of the State of Tennessee.

11. Headings. The headings contained in this Agreement are for reference only and shall not affect in any way the meaning or interpretation of this Agreement.

12. Entire Agreement; Amendment; Waiver. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and may not be altered or amended except in writing signed by the parties. The failure of a party hereto at any time to require the performance of any provision hereunder shall in no manner affect the right to enforce the same. No waiver by any party hereto of any condition, or of the breach of any provision of this Agreement shall be deemed or construed as a further or continuing waiver of any such condition or of the breach of any other provision herein contained.

13. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement shall not be construed so as to benefit any person other than the parties hereto and such successors and assigns.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the date first written above.

INGRAM INDUSTRIES INC.

By: /s/ John R. Ingram

Title: Co-President

INGRAM ENTERTAINMENT INC.

By: /s/ David B. Ingram

    Title: Chairman and President

INGRAM MICRO HOLDINGS INC.

By: /s/ Jeffrey R. Rodek

    Title: President

EXHIBIT 10.18

MASTER SERVICES AGREEMENT

AGREEMENT dated as of November 6, 1996, between Ingram Industries Inc., a Tennessee corporation ("Industries") and Ingram Micro Inc., a Delaware corporation ("Micro").

In consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

ARTICLE 1

PERFORMANCE OF SERVICES

SECTION 1.1. Provision of Services. (a) On the terms and subject to the conditions of this Agreement, during the term of this Agreement Industries agrees to provide to Micro and its Subsidiaries, or procure the provision to Micro and its Subsidiaries of, and Micro (on behalf of itself and its Subsidiaries) agrees to purchase from Industries, the services described on the Schedules attached hereto (the "Services"), including without limitation Services in connection with the administration of certain employee benefit plans and arrangements set forth on such Schedules (the "Plans"). Notwithstanding anything herein to the contrary, Industries shall only perform Services involving the administration of the Micro Thrift Plan (as defined in the Employee Benefits Transfer and Assumption Agreement dated as of November 6, 1996 among the parties hereto) upon the written request of Micro (or an appropriate committee designated thereby) and on the condition that the terms of the Micro Thrift Plan are acceptable to Industries. Unless otherwise specifically agreed by the parties, the Services to be provided or procured by Industries hereunder shall be substantially similar in scope, quality and nature to those provided to, or procured on behalf of, Micro and its Subsidiaries prior to the date hereof.

(b) Any administration of the Plans by Industries pursuant to the terms hereof shall be subject to applicable regulatory requirements and the terms of the governing plan documents as interpreted by the appropriate plan fiduciaries. The parties shall cooperate fully with each other in the administration and coordination of regulatory and administrative requirements associated with the Plans. Such coordination, upon request, will include (but not be limited to) the following: sharing payroll data for determination of highly compensated associates, providing census information (including accrued benefits) for purposes of running discrimination tests, providing actuarial reports for purposes of determining the funded status of any plan, review and coordination of insurance and other independent third party contracts, and providing for review of all summary plan descriptions, requests for determination letters, insurance contracts, Forms 5500, financial statement disclosures and plan documents.

SECTION 1.2. Service Fees; Expenses. (a) The Schedules hereto indicate, with respect to each Service listed thereon, the method by which fees (the "Service Fees") to be charged to Micro for such Service will be determined. Micro agrees to pay to Industries in the manner set forth in Section 1.3 the Service Fees applicable to each of the Services provided by Industries to Micro (and its Subsidiaries) pursuant to the terms hereof.

(b) In addition to any other amounts payable to Industries hereunder, Micro shall reimburse Industries in the manner set forth in Section 1.3 for (i) all out-of-pocket expenses (including without limitation travel expenses, professional fees, printing and postage) incurred by Industries in connection with the performance of Services pursuant to this Agreement, to the extent that such expenses have not already been taken into account in determining the Service Fees applicable to such Services and (ii) without duplication, all costs and expenses (including without limitation any contributions, premium costs and third-party expenses), incurred by Industries in connection with its administration of the Plans.

(c) In addition to any other amounts payable to Industries hereunder, Micro shall reimburse Industries in the manner set forth in Section 1.3 for any taxes, excises, imposts, duties, levies, withholdings or other similar charges (excepting any charges for taxes due on Industries' income) that Industries and its Subsidiaries may be required to pay on account of Micro (and its Subsidiaries) in connection with the performance of Services or with respect to payments made by Micro for such Services pursuant to this Agreement.

SECTION 1.3. Invoicing and Settlement of Costs. (a) Industries will deliver an invoice to Micro on a monthly basis (not later than the fifth day of each accounting month) for (i) Service Fees in respect of Services provided during the prior accounting month to Micro (and its Subsidiaries) and (ii) other amounts owing to Industries pursuant to Section 1.2. Except as otherwise provided in this Agreement, each such invoice will be prepared and delivered in a manner substantially consistent with the billing practices used in connection with services provided to Micro prior to the date hereof; provided that each such invoice shall (A) provide sufficient detail to identify each Service, the fee therefor and the method of calculating such fee, (B) identify all third party costs included in the invoice to the extent specifically billed and (C) include

such other data as may be reasonably requested by Micro. In addition, Micro shall have the right to examine any and all books and records as it reasonably requests in order to confirm and verify the calculation of the amount of any payment pursuant to this Section and Industries shall cooperate in any reasonable manner in such examination as Micro shall request.

(b) Payment (including payment of any amounts disputed pursuant to Section 1.3(c)) of each invoice shall be due from Micro on the day (or the next business day, if such day is not a business day) that is the later of (i) the third day prior to the end of the accounting month in which such invoice was received and (ii) the tenth day after the receipt of such invoice (each, a "Payment Date"), by wire transfer of immediately available funds payable to the order of Industries. If Micro fails to make any payment within 30 days of the relevant Payment Date, the party that has failed to make such payment shall be obligated to pay, in addition to the amount due on such Payment Date, interest on such amount at the prime, or best rate announced by Nationsbank of Texas, N.A. per annum compounded annually from the relevant Payment Date through the date of payment.

(c) In the event that Micro disputes any charges invoiced by Industries pursuant to this Agreement, Micro shall deliver a written statement describing the dispute to Industries within 15 days following receipt of the disputed invoice. The statement shall provide a sufficiently detailed description of the disputed items. The parties hereto shall use their best efforts to resolve any such disputes. Amounts not so disputed shall be deemed accepted. Disputed amounts resolved in favor of Micro (together with interest on such amounts at the prime, or best rate announced by Nationsbank of Texas, N.A. per annum compounded annually from the date such disputed amounts were paid to Industries to the next relevant Payment Date) shall be credited against payments owing by Micro to Industries on the next relevant Payment Date.

(d) Unless otherwise specified on the Schedules hereto, in the event that the actual utilization of a Service is less than the period specified on such Schedules with respect to such Service, then the Service Fees for such Service shall be prorated on the basis of actual utilization of such Service; provided that the monthly charges shall not be prorated on any period of time less than one day, the per diem charge shall not be prorated on any period of time less than one-half day, and the hourly charges shall not be prorated on any period of time less than one hour.

SECTION 1.4. Term. (a) The term of this Agreement shall commence on the date hereof and shall end on December 31, 1996 (or, with respect to payroll services provided to Micro, on December 31, 1997), unless earlier terminated pursuant to the terms hereof. The provisions of Section 1.2 (with respect to amounts accrued prior to such termination) shall survive any termination of this Agreement.

(b) At any time, Micro may request Industries to discontinue performing all or any portion of the Services upon 45 days' prior written notice.

SECTION 1.5. Limited Warranty. Industries will provide the Services hereunder in good faith, with the care and diligence that it exercises in the performance of such services for its divisions and Subsidiaries. Micro hereby acknowledges that Industries does not regularly provide to third parties services such as the Services as part of its business and that, except as set forth in Section 1.1 or in this Section 1.5, Industries does not otherwise warrant or assume any responsibility for its Services. The warranty stated above is in lieu of and exclusive of all other representations and warranties of any kind whatsoever. EXCEPT AS STATED ABOVE, THERE ARE NO WARRANTIES RELATING TO THE SERVICES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

SECTION 1.6. Performance Remedy. In the event that Industries fails to provide a Service hereunder, or the quality of a Service is not in accordance with Section 1.1 or Section 1.5, Micro may give Industries prompt written notice thereof. Industries will then have thirty days to cure the defective Service. If after such period Industries has failed to cure the defective Service, Micro may seek an alternative provider for such Service and Industries shall discontinue performing such Service at the written request of Micro. Micro shall be liable to Industries for any Service performed by Industries after Industries has been given written notice of termination of such Service pursuant to this Section 1.6, except for any out-of-pocket costs incurred by Industries in connection with the cessation of such Services or the transfer of such Services back to Micro or its designees. Except as otherwise expressly provided in Article 2, the provisions of this Section 1.6 will provide the exclusive remedy for any misrepresentation, breach of warranty, covenant or other agreement or other claim arising out of this Agreement or the Services to be performed hereunder.

ARTICLE 2

INDEMNIFICATION

SECTION 2.1. Limitation of Liability. Micro agrees that none of Industries, any of its Subsidiaries or any of their respective directors, officers, agents and employees (each, an "Industries Indemnified Person") shall have any liability, whether direct or indirect, in contract, tort or otherwise, to Micro arising out of or attributable to the performance or nonperformance of Services pursuant to this Agreement.

SECTION 2.2. Indemnification. (a) Micro agrees to and

does hereby indemnify and hold each Industries Indemnified Person harmless from and against any and all damage, loss, liability and expense (including without limitation reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, claim, suit or proceeding, including any expenses incurred in connection with the enforcement of the rights of such Industries Indemnified Person pursuant to this Agreement) to which such Industries Indemnified Person may be subjected as a result of a claim made by a third party arising out of or attributable, directly or indirectly, (i) to the performance or nonperformance for Micro of any Services or (ii) otherwise in connection with this Agreement.

(b) The parties agree to follow the procedures set forth in Section 5.3(a) and 5.3(b) of the Amended and Restated Reorganization Agreement dated as of September 4, 1996, as amended and restated as of October 17, 1996, among the parties hereto and Ingram Entertainment Inc. with respect to any claim for indemnification made pursuant to this Section 2.2.

SECTION 2.3. Ownership of Work Product. (a) Except for the data provided by Micro to Industries and the reports produced by Industries for Micro pursuant to this Agreement, all proprietary tools and methodologies and all written material including programs, tapes, listing and other programming documentation which were preexisting or originated and prepared by Industries pursuant to this Agreement shall belong to Industries except as otherwise agreed by the parties in a separate written agreement signed by each party.

(b) No license under any trade secrets, copyrights, or other rights is granted by this Agreement or any disclosure hereunder.

(c) Micro shall have reasonable access to all data, records, files, statements, records, invoices, billings, and other information generated by or in custody of Industries relating to the Services provided pursuant to this Agreement. Unless otherwise specified by Micro or required by law, Industries shall maintain all such business records pertaining to the Services and will retain the records pertaining to each Service for a period of twelve months after the cessation of such Service. At the request of Micro, Industries shall provide copies of records pertaining to the Services.

ARTICLE 3

GENERAL PROVISIONS

SECTION 3.1. Parties. Nothing in this Agreement, express or implied, is intended to confer upon any person not a party any rights and remedies hereunder.

SECTION 3.2. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to its conflict of laws provisions.

SECTION 3.3. Headings. The Section and other headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

SECTION 3.4. Entire Agreement. This Agreement constitutes the entire agreement between the parties in respect of the subject matter contained herein and neither this Agreement nor any term or provision hereof may be amended or waived except by an instrument in writing signed, in the case of an amendment, by each party and, in the case of a waiver, by the party against whom the waiver is to be effective.

SECTION 3.5. Assignments. This Agreement shall not be assignable by either party without the written consent of the other parties hereto. No assignment of any right or benefit hereunder shall relieve any obligation of the assignor hereunder without the written consent of the other parties.

SECTION 3.6. Notices. Any notice, request, instruction or other document to be given hereunder by either party hereto to the other party hereto shall be in writing (including telecopier or similar writing) and shall be given to such party at its address set forth on the signature pages hereof, or to such other address as the party to whom notice is to be given may provide in a written notice to the party giving such notice, a copy of which written notice shall be on file with the Secretary of Industries. Each such notice, request or other communication shall be effective (i) if given by telecopy, when such telecopy is transmitted to the telecopy number specified on the signature pages hereof and the appropriate confirmation is received, (ii) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid addressed as aforesaid or (iii) if given by any other means, when delivered at the address specified in this Section 3.6.

SECTION 3.7. Definitions. Terms used but not defined herein shall have the meanings set forth in the Amended and Restated Reorganization Agreement dated as of September 4, 1996, as amended and restated as of October 17, 1996 among the parties hereto and Ingram Entertainment Inc.

SECTION 3.8. Severability. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of this Agreement, including any such provision, in any

other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

SECTION 3.9. Independent Contractors. The parties hereto are independent contractors. Nothing in this Agreement is intended or shall be deemed to constitute a partnership, agency, franchise or joint venture relationship between the parties. No party shall incur any debts or make any commitments for the others, except to the extent, if at all, specifically provided herein.

SECTION 3.10. Remedies. The parties hereby acknowledge and agree that in the event of any breach of this Agreement, the parties would be irreparably harmed and could not be made whole by monetary damages. Each party hereto agrees (i) not to assert by way of defense or otherwise that a remedy at law would be adequate, and (ii) in addition to any other remedy to which the parties may be entitled, that the remedy of specific performance of this Agreement is appropriate in any action in court.

SECTION 3.11. Consent to Jurisdiction. Each party hereto irrevocably submits to the non-exclusive jurisdiction of any Tennessee State Court or United States Federal Court sitting in the Middle District of Tennessee over any suit, action or proceeding arising out of or relating to this Agreement. Each party hereto waives any right it may have to assert the doctrine of forum non conveniens or to object to venue to the extent any proceeding is brought in accordance with this Section 3.11. Nothing in this paragraph shall affect or limit any right to serve process in any manner permitted by law, to bring proceedings in the courts of any jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

SECTION 3.12. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

INGRAM INDUSTRIES INC.

By: /s/ John R. Ingram

Name: John R. Ingram
Title: Co-President
One Belle Meade Place
4400 Harding Road
Nashville, TN 32705
Telecopy: (615) 298-8242

INGRAM MICRO INC.

By: /s/ Jeffrey R. Rodek

Name: Jeffrey R. Rodek
Title: President
1600 East Saint Andrew Place
Santa Ana, CA 92705
Telecopy: (714) 566-7900

EXHIBIT 10.19

EMPLOYEE BENEFITS TRANSFER and ASSUMPTION AGREEMENT

AGREEMENT dated as of November 6, 1996, among Ingram Industries Inc., a Tennessee corporation ("Industries"), Ingram Micro Inc., a Delaware corporation ("Micro"), and Ingram Entertainment Inc., a Tennessee corporation ("Entertainment" and, together with Industries and Micro, the "Ingram Companies").

NOW, THEREFORE, it is agreed as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. (a) The following terms, as used herein, shall have the following meanings:

"Code" means the Internal Revenue Code of 1986, as amended, and the rules and regulations thereunder.

"Employee Benefit Plan" means any "employee benefit plan" (as defined in Section 3(3) of ERISA) maintained at any time by any of the Ingram Companies or their Subsidiaries.

"Entertainment Employees" means those individuals listed on the payroll records of Entertainment or any Subsidiary thereof immediately after the Second Closing.

"Entertainment Group" means all Entertainment Employees and Entertainment Retirees, including their respective beneficiaries.

"Entertainment Retiree" means each individual who was employed by Entertainment or any Subsidiary thereof immediately prior to such individual's retirement or other termination of employment from all Ingram Companies and their Subsidiaries or is otherwise listed on Schedule 3 as an Entertainment Retiree.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations thereunder.

"Exchange Agreement" means the Amended and Restated Exchange Agreement dated as of September 4, 1996, as amended and restated as of October 17, 1996, among the Ingram Companies and the other persons listed on the signature pages thereof.

"First Closing" and "First Closing Date" shall have the meanings ascribed thereto in the Exchange Agreement.

"Industries Employees" means those individuals listed on the payroll records of Industries or any Subsidiary thereof immediately after the First Closing.

"Industries Equity-Based Plans" means the plans identified as such on Schedule 6 hereto.

"Industries Group" means all Industries Employees and Industries Retirees, including their respective beneficiaries.

"Industries Retiree" means each individual who was employed by Industries or any Subsidiary thereof immediately prior to such individual's retirement or other termination of employment from all Ingram Companies and their Subsidiaries and who is not otherwise a member of the Micro Group or Entertainment Group.

"Micro Common Stock" means shares of Class B common stock, par value $.01 per share, of Micro.

"Micro Employees" means those individuals listed on the payroll records of Micro or any Subsidiary thereof immediately after the First Closing.

"Micro Group" means all Micro Employees and Micro Retirees, including their respective beneficiaries.

"Micro Retiree" means each individual who was employed by Micro or any Subsidiary thereof immediately prior to such individual's retirement or other termination of employment from all Ingram Companies and their Subsidiaries or is otherwise listed on Schedule 3 as a Micro Retiree.

"Person" means an individual, corporation, limited liability company, partnership, association, trust, or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Reorganization Agreement" shall have the meaning set forth in the Exchange Agreement.

"Second Closing" and "Second Closing Date" shall have the meanings ascribed thereto in the Exchange Agreement.

"Subsidiary" means, (i) with respect to Entertainment or Micro, any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are directly or indirectly owned by such Person immediately after the First Closing and (ii) with respect to Industries, any entity (other than Entertainment or its Subsidiaries) of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are directly or indirectly owned by Industries immediately after the First Closing.

(b) Each of the following terms is defined in the Section set forth opposite such term:

Terms	Sections
Actuarial Valuation	3.03
Entertainment Assumed Liabilities	3.04
Entertainment Indemnified Person	5.01
Entertainment Plan Participants	3.03
Entertainment Retirement Plan	3.03
Entertainment Supplemental Retirement Assets and Liabilities	3.02
Entertainment Supplemental Thrift Assets and Liabilities	3.02
Entertainment Thrift Plan	3.01
ERP Amount	3.03
ERP Transition Period	3.03
Industries Indemnified Person	5.01
Industries Retained Liabilities	3.04
Industries Retirement Plan	3.03
Industries Supplemental Executive Retirement Plan	3.02
Industries Supplemental Thrift Plan	3.02
Industries Thrift Plan	3.01
IRS	3.01
Loss	5.02
Micro Assumed Liabilities	3.04
Micro Indemnified Person	5.02
Micro Plan Participants	3.03
Micro Retirement Plan	3.03
Micro Supplemental Retirement Assets and Liabilities	3.02
Micro Supplemental Thrift Assets and Liabilities	3.02
Micro Thrift Plan	3.01
MRP Amount	3.03
MRP Transition Period	3.03
PBGC	3.03
Retained Retirement Assets and Liabilities	3.03
Retained Supplemental Assets and Liabilities	3.02
Retained Thrift Assets and Liabilities	3.01

ARTICLE II

EMPLOYEES; CERTAIN AGREEMENTS

SECTION 2.01. Employees. Subject to the terms and conditions of this Agreement, effective at the time of the First Closing, Industries, Micro and Entertainment or their respective Subsidiaries shall employ each Industries Employee, Micro Employee or Entertainment Employee, respectively. No provision of this Agreement, however, shall require any Ingram Company or any of their respective Subsidiaries to continue the employment of any of their respective employees following the First Closing.

SECTION 2.02. Certain Agreements. (a) Except as provided in Section 2.02(b), this Agreement shall not apply or be deemed to apply to the Industries Equity-Based Plans and any options, awards, grants or sales made or to be made thereunder shall not be deemed to be Micro Assumed Agreements or Entertainment Assumed Agreements.

(b) Micro shall assume all liability relating to, and be responsible for, all incentive stock units granted to Mr. Lawrence Elcheson, under the Industries Equity-Based Plans. Industries shall inform Micro on a quarterly basis of the status of such liability, including any changes thereto.

ARTICLE III

ALLOCATION OF ASSETS AND LIABILITIES

SECTION 3.01. Industries Thrift Plan. (a) (i) As soon as practicable after and effective as of the First Closing, Micro shall adopt or designate a profit-sharing plan with a salary reduction arrangement that covers the Micro Group and meets the requirements of Sections 401(a) and 401(k) of the Code ("Micro Thrift Plan"). Micro agrees that all service credited under the Ingram Thrift Plan ("Industries Thrift Plan") as of the First Closing with respect to the Micro Group shall be credited under the Micro Thrift Plan for all plan purposes, including eligibility and vesting.

(ii) Within 30 days after the adoption or designation of the Micro Thrift Plan by Micro or as soon as practicable thereafter,

Industries shall cause an amount, in cash or in kind as Industries and Micro shall agree, equivalent to the account balances of all members of the Micro Group under the Industries Thrift Plan as of the date of the transfer, to be transferred from the trust maintained under the Industries Thrift Plan to the trust maintained under the Micro Thrift Plan. Such transfer shall include the number of shares of Micro Common Stock allocable or attributable to the account balances of all members of the Micro Group. Such transfer of assets shall be made only after Micro has supplied to Industries either (A) a copy of an Internal Revenue Service ("IRS") determination letter finding the Micro Thrift Plan to be a qualified plan meeting the requirements of Sections 401(a) and 401(k) of the Code or (B) an opinion of counsel or written representation from Micro (with appropriate indemnities), in either case, to the effect that the Micro Thrift Plan has been established in accordance with the Code and ERISA, and an agreement that Micro will request a determination letter from the IRS and make any and all changes to the Micro Thrift Plan necessary to receive a favorable determination letter. Micro and Industries shall cooperate with each other during the period beginning on the date hereof and ending on the date the assets are transferred to the trust maintained under the Micro Thrift Plan to ensure the ongoing operation and administration of the Micro Thrift Plan and the Industries Thrift Plan with respect to the Micro Group.

(iii) Notwithstanding anything herein to the contrary, each transfer to the Micro Thrift Plan of shares of Micro Common Stock pursuant to this Section shall be made in compliance with the provisions of the Transfer Restrictions Agreement, if any, of even date herewith among Micro and each of the other parties thereto, including Sections 2.1 and 3.7 thereof.

(b) (i) Not later than the Second Closing, Entertainment shall adopt or designate a profit-sharing plan with a salary reduction arrangement that covers the Entertainment Group and meets the requirements of Sections 401(a) and 401(k) of the Code ("Entertainment Thrift Plan"). Entertainment agrees that all service credited under the Industries Thrift Plan as of such adoption or designation with respect to the Entertainment Group shall be credited under the Entertainment Thrift Plan for all plan purposes, including eligibility and vesting.

(ii) Within 30 days after the adoption or designation of the Entertainment Thrift Plan by Entertainment or as soon as practicable thereafter, Industries shall cause an amount, in cash or in kind as Industries and Entertainment shall agree, equivalent to the account balances of all members of the Entertainment Group under the Industries Thrift Plan as of the date of transfer to be transferred from the trust maintained under the Industries Thrift Plan to the trust maintained under the Entertainment Thrift Plan. Such transfer shall include the number of shares of Micro Common Stock allocable or attributable to the account balances of all members of the Entertainment Group. Such transfer of assets shall be made only after Entertainment has supplied to Industries either (A) a copy of an IRS determination letter finding the Entertainment Thrift Plan to be a qualified plan meeting the requirements of Sections 401(a) and 401(k) of the Code or (B) an opinion of counsel or written representation from Entertainment (with appropriate indemnities), in either case, to the effect that the Entertainment Thrift Plan has been established in accordance with the Code and ERISA, and an agreement that Entertainment will request a determination letter from the IRS and make any and all changes to the Entertainment Thrift Plan necessary to receive a favorable determination letter. Entertainment and Industries shall cooperate with each other during the period beginning on the date hereof and ending on the date the assets are transferred to the trust maintained under the Entertainment Thrift Plan to ensure the ongoing operation and administration of the Entertainment Thrift Plan and the Industries Thrift Plan with respect to the Entertainment Group.

(iii) Notwithstanding anything herein to the contrary, each transfer to the Entertainment Thrift Plan of shares of Micro Common Stock pursuant to this Section shall be made in compliance with the provisions of the Transfer Restrictions Agreement, if any, of even date herewith among Entertainment and each of the other parties thereto, including Sections 2.1 and 3.7 thereof.

(c) Industries shall retain all assets and liabilities under the Industries Thrift Plan except as otherwise provided in Section 3.01(a) and (b) ("Retained Thrift Assets and Liabilities").

SECTION 3.02. Industries Supplemental Plans. (a) All liabilities under the Ingram Supplemental Thrift Plan ("Industries Supplemental Thrift Plan") and the Ingram Industries Inc. Supplemental Executive Retirement Plan ("Industries Supplemental Retirement Plan") to the extent applicable to any member of the Micro Group and any assets allocable to such liabilities shall be transferred to and assumed by Micro as of the First Closing ("Micro Supplemental Assets and Liabilities").

(b) All liabilities under the Industries Supplemental Thrift Plan and the Industries Supplemental Retirement Plan to the extent applicable to any member of the Entertainment Group and any assets allocable to such liabilities shall be transferred to and assumed by Entertainment not later than the Second Closing ("Entertainment Supplemental Assets and Liabilities").

(c) Industries shall retain all assets and liabilities under the Industries Supplemental Thrift Plan and the Industries Supplemental Retirement Plan except as otherwise provided in Section 3.02(a) and (b) hereof and Article 3 of the Reorganization Agreement ("Retained Supplemental Assets and Liabilities").

SECTION 3.03. Industries Retirement Plan. (a) (i) As soon as practicable after and effective as of the First Closing, Micro shall adopt or designate a defined benefit plan ("Micro Retirement Plan") that covers the members of the Micro Group listed as participants therein on Schedule 2 and Schedule 3 ("Micro Plan Participants") and meets the requirements of Section 401(a) of the Code. Micro agrees that all service credited under the Ingram Retirement Plan (as amended effective January 1, 1989 and restated December 31, 1994) ("Industries Retirement Plan") as of the First Closing with respect to the Micro Plan Participants shall be credited under the Micro Retirement Plan for all plan purposes, including eligibility, vesting and benefit accrual; provided, however, that those individuals determined to be highly compensated employees under Section 414(q) of the Code shall accrue their benefits on and after the First Closing under an unfunded defined benefit plan that is not qualified under Section 401(a) of the Code.

(ii) Within 30 days after the adoption or designation of the Micro Retirement Plan by Micro or as soon as practicable thereafter, Industries shall cause an amount in cash or in kind determined as of the First Closing pursuant to subparagraph (iii) below (the "MRP Amount"), adjusted as set forth therein, to be transferred from the trust maintained under the Industries Retirement Plan to the trust maintained under the Micro Retirement Plan. Such transfer of assets shall be made only after Micro has supplied to Industries (x) either (A) a copy of an IRS determination letter finding the Micro Retirement Plan to be a qualified plan meeting the requirements of Section 401(a) of the Code or (B) an opinion of counsel or a written representation from Micro (with appropriate indemnities), in either case, to the effect that the Micro Retirement Plan has been established in accordance with the Code and ERISA, and an agreement that Micro will request a determination letter from the IRS and make any and all changes to the Micro Retirement Plan necessary to receive a favorable determination letter and (y) information enabling the enrolled actuary for the Industries Retirement Plan to issue the certification required by Section 414(l) of the Code (Form 5310-A). Micro and Industries shall cooperate with each other during the period beginning on the date hereof and ending on the date the assets are transferred to the trust maintained under the Micro Retirement Plan ("MRP Transition Period") to ensure the ongoing operation and administration of the Micro Retirement Plan and the Industries Retirement Plan with respect to the Micro Plan Participants.

(iii) The MRP Amount shall be equal to that portion of the total value of the assets held in the Industries Retirement Plan, valued as of the First Closing Date or as soon as practicable thereafter, that bears the same relation to such total as the aggregate present value of benefits (vested and non-vested, including special early retirement benefits and death benefit coverage both before and after the expected retirement ages of Micro Plan Participants) accrued under the Industries Retirement Plan for Micro Plan Participants, as determined in the Industries Retirement Plan actuarial valuation as of January 1, 1996 (the "Actuarial Valuation"), shall bear to the aggregate present value of such benefits accrued under the Industries Retirement Plan for all participants therein, in each case determined by Industries' enrolled actuary, using the projected unit credit funding method and based on the actuarial assumptions used for funding purposes as set forth in the Actuarial Valuation. The MRP Amount shall be adjusted as may be required by the Pension Benefit Guaranty Corporation ("PBGC") and the IRS to maintain the status of the Industries Retirement Plan or the Micro Retirement Plan as an employee pension plan meeting the requirements of Section 401(a) of the Code. Within at least 30 days prior to the First Closing or as soon as practicable thereafter, Industries and Micro shall make any required governmental filings necessary to effect the asset transfers described herein, including the filing of IRS Form 5310-A.

(iv) The assets to be transferred to the trust maintained under the Micro Retirement Plan shall be held, invested and distributed as required under the Industries Retirement Plan and the related trust thereunder for the benefit of Micro Plan Participants during the MRP Transition Period, pending the transfer to the trust maintained under the Micro Retirement Plan pursuant to this Section 3.03(a). Industries and Micro shall use their best efforts to effectuate the above transfer as promptly as possible following the First Closing.

(b) (i) Not later than the Second Closing, Entertainment shall adopt or designate a defined benefit plan that covers the Entertainment Employees and members of the Entertainment Group listed on Schedule 3 ("Entertainment Plan Participants") and meets the requirements of Section 401(a) of the Code ("Entertainment Retirement Plan"). Entertainment agrees that all service credited under the Industries Retirement Plan as of such adoption or designation with respect to the Entertainment Plan Participants shall be credited under the Entertainment Retirement Plan for all plan purposes, including eligibility, vesting and benefit accrual.

(ii) Within 30 days after the adoption or designation of the Entertainment Retirement Plan by Entertainment or as soon as practicable thereafter, Industries shall cause an amount in cash or in kind determined as of the Second Closing pursuant to subparagraph (iii) below (the "ERP Amount"), adjusted as set forth therein, to be transferred from the trust maintained under the Industries Retirement Plan to the trust maintained under the Entertainment Retirement Plan. Such transfer of assets shall be made only after Entertainment has supplied to Industries (x) either (A) a copy of an IRS determination letter finding the Entertainment Retirement Plan to be a qualified plan meeting the requirements of Section 401(a) of the Code or (B) an opinion of counsel or a written representation from Entertainment (with appropriate indemnities), in either case, to the effect that the Entertainment Retirement Plan has been established in accordance with the Code and ERISA, and an agreement

that Entertainment will request a determination letter from the IRS and make any and all changes to the Entertainment Retirement Plan necessary to receive a favorable determination letter and (y) information enabling the enrolled actuary for the Industries Retirement Plan to issue the certification required by Section 414(l) of the Code (Form 5310-A). Entertainment and Industries shall cooperate with each other during the period beginning on the date hereof and ending on the date the assets are transferred to the trust maintained under the Entertainment Retirement Plan (the "ERP Transition Period") to ensure the ongoing operation and administration of the Entertainment Retirement Plan and the Industries Retirement Plan with respect to the Entertainment Plan Participants.

(iii) The ERP Amount shall be equal to that portion of the total value of the assets held in the Industries Retirement Plan, valued as of the adoption or designation referred to in (i) above or as soon as practicable thereafter, that bears the same relation to such total as the aggregate present value of benefits (vested and non-vested, including special early retirement benefits and death benefit coverage both before and after the expected retirement ages of Entertainment Plan Participants) accrued under the Industries Retirement Plan for Entertainment Plan Participants, as determined in the Actuarial Valuation or such later valuation to the extent one is available, shall bear to the aggregate present value of such benefits accrued under the Industries Retirement Plan for all participants therein, in each case determined by Industries' enrolled actuary using the projected unit credit funding method and based on the actuarial assumptions used for funding purposes as set forth in the Actuarial Valuation. The ERP Amount shall be adjusted as may be required by the PBGC and the IRS to maintain the status of the Industries Retirement Plan or the Entertainment Retirement Plan as an employee pension plan meeting the requirements of Section 401(a) of the Code. Within at least 30 days prior to the Second Closing or as soon as practicable thereafter, Industries and Entertainment shall make any required governmental filings necessary to effect the asset transfers described herein, including the filing of IRS Form 5310-A.

(iv) The assets to be transferred to the trust maintained under the Entertainment Retirement Plan shall be held, invested and distributed as required under the Industries Retirement Plan and the related trust thereunder for the benefit of Entertainment Plan Participants during the ERP Transition Period, pending the transfer to the trust maintained under the Entertainment Retirement Plan pursuant to this Section 3.03(b). Industries and Entertainment shall effectuate the above transfer on such date as Industries and Entertainment shall agree but not later than the Second Closing.

(c) Industries shall retain all assets and liabilities under the Industries Retirement Plan except as otherwise provided in Section 3.03(a) and (b) ("Retained Retirement Assets and Liabilities").

SECTION 3.04. Assumption of Liabilities Generally. (a) Subject to the terms and conditions of this Agreement, effective as of the First Closing, Micro shall assume and agree to pay when due, honor and discharge, the following ("Micro Assumed Liabilities"):

(i) all obligations and liabilities arising under any employment, separation or retirement agreement or arrangement to the extent applicable to any member of the Micro Group which has been established or entered into by any of the Ingram Companies or any of their Subsidiaries, whether or not listed on any Schedule attached hereto;

(ii) all obligations and liabilities arising under the Micro Thrift Plan, the Micro Supplemental Assets and Liabilities and the Micro Retirement Plan;

(iii) all obligations and liabilities arising under the welfare benefit plans and other arrangements listed on or otherwise described in Schedule 4 hereto to the extent applicable to any member of the Micro Group;

(iv) all obligations and liabilities arising under any other employee benefit plan or arrangement maintained at any time by any of the Ingram Companies or any of their Subsidiaries to the extent applicable to any member of the Micro Group;

(v) all obligations and liabilities to any member of the Micro Group in respect of the continuation of coverage rules under Sections 601 through 608 of ERISA and Section 4980B of the Code, including all liabilities and obligations relating to qualifying events that have occurred on or prior to the First Closing;

(vi) all obligations and liabilities arising under any federal, state, local or foreign law, order or regulation (including, without limitation, ERISA and the Code) to the extent they relate to participation by any member of the Micro Group in any Employee Benefit Plan, whether relating to events occurring on or prior to the First Closing or arising by reason of the transactions contemplated by this Agreement or otherwise; and

(vii) all statutory obligations and liabilities to any member of the Micro Group, which arise, directly or indirectly, by reason of the transactions contemplated by this Agreement.

(b) Subject to the terms and conditions of this Agreement, effective as of such date as Industries and Entertainment shall agree but not later than the Second Closing, Entertainment shall assume and agree to pay when due, honor and discharge, the following ("Entertainment Assumed

Liabilities"):

(i) all obligations and liabilities arising under any employment, separation or retirement agreement or arrangement to the extent applicable to any member of the Entertainment Group which has been established or entered into by any Ingram Company or any of their Subsidiaries, whether or not listed on any Schedule attached hereto;

(ii) all obligations and liabilities arising under the Entertainment Thrift Plan, the Entertainment Supplemental Assets and Liabilities and the Entertainment Retirement Plan;

(iii) all obligations and liabilities arising under the welfare benefit plans and other arrangements listed on or otherwise described in Schedule 4 hereto to the extent applicable to any member of the Entertainment Group;

(iv) all obligations and liabilities arising under any other employee benefit plan or arrangement maintained at any time by any of the Ingram Companies or any of their Subsidiaries to the extent applicable to any member of the Entertainment Group;

(v) all obligations and liabilities to any member of the Entertainment Group in respect of the continuation of coverage rules under Sections 601 through 608 of ERISA and Section 4980B of the Code, including all liabilities and obligations relating to qualifying events that have occurred on or prior to the Second Closing;

(vi) all obligations and liabilities arising under any federal, state, local or foreign law, order or regulation (including, without limitation, ERISA and the Code) to the extent they relate to participation by any member of the Entertainment Group in any Employee Benefit Plan, whether relating to events occurring on or prior to the Second Closing or arising by reason of the transactions contemplated by this Agreement or otherwise; and

(vii) all statutory obligations and liabilities to any member of the Entertainment Group which arises, directly or indirectly, by reason of the transactions contemplated by this Agreement.

(c) Subject to the terms and conditions of this Agreement, effective as of the First Closing, Industries shall retain and agree to pay when due, honor and discharge, the following ("Industries Retained Liabilities"):

(i) all obligations and liabilities arising under any employment, separation or retirement agreement or arrangement to the extent applicable to any member of the Industries Group which has been established or entered into by any of the Ingram Companies or any of their Subsidiaries, whether or not listed on any Schedule attached hereto;

(ii) obligations and liabilities arising under the Retained Thrift Assets and Liabilities, the Retained Supplemental Assets and Liabilities, and the Retained Retirement Assets and Liabilities;

(iii) all obligations and liabilities arising under the welfare benefit plans and other arrangements listed on or otherwise described in Schedule 4 hereto to the extent applicable to any member of the Industries Group;

(iv) all obligations and liabilities arising under any other employee benefit plan or arrangement maintained at any time by any Ingram Company or any of their Subsidiaries to the extent applicable to any member of the Industries Group;

(v) all obligations and liabilities to any member of the Industries Group in respect of the continuation of coverage rules under Sections 601 through 608 of ERISA and Section 4980B of the Code, including all liabilities and obligations relating to qualifying events that have occurred on or prior to the First Closing;

(vi) all obligations and liabilities arising under any federal, state, local or foreign law, order or regulation (including, without limitation, ERISA and the Code) to the extent they relate to participation by any member of the Industries Group in any Employee Benefit Plan, whether relating to events occurring on or prior to the First Closing or arising by reason of the transactions contemplated by this Agreement or otherwise; and

(vii) all statutory obligations and liabilities to any member of the Industries Group, which arise, directly or indirectly, by reason of the transactions contemplated by this Agreement.

(d) Subject to the terms and conditions of this Agreement, effective as of the Second Closing Industries shall confirm to Entertainment the retention by and agreement of Industries to pay when due, honor and discharge the Industries Retained Liabilities.

(e) All obligations, liabilities and responsibilities arising out of or relating to workers' compensation shall be transferred among and assumed by the parties pursuant to the terms of the Risk Management Agreement

dated as of the First Closing among Industries, Micro and Entertainment.

SECTION 3.05. Method of Settlement. Notwithstanding anything herein to the contrary, any transfer or assumption of liabilities pursuant to this Article III shall be effected through a corresponding adjustment in the relevant intercompany account balances of the parties hereto.

SECTION 3.06. Further Assurances. (a) On and after the date hereof, Industries will, at the reasonable request of Micro, execute, acknowledge and deliver all such endorsements, assurances, consents, assignments, transfers, conveyances, powers of attorney and other instruments and documents, and take such other actions necessary (i) to assign, transfer, convey and deliver to Micro, acting in its fiduciary capacity, all the assets to be transferred to Micro pursuant to Article III hereof and (ii) to assist Micro in obtaining the consent and approval of all governmental bodies and other Persons required to be obtained by Micro to effect the transfer thereof and the assumption of the Micro Assumed Liabilities by Micro or otherwise appropriate to carry out the transactions contemplated hereby.

(b) On and after the date hereof, Industries will, at the reasonable request of Entertainment, execute, acknowledge and deliver all such endorsements, assurances, consents, assignments, transfers, conveyances, powers of attorney and other instruments and documents, and take such other actions necessary (i) to assign, transfer, convey and deliver to Entertainment, acting in its fiduciary capacity, all the assets to be transferred to Entertainment pursuant to Article III hereof, and (ii) to assist Entertainment in obtaining the consent and approval of all governmental bodies and other Persons required to be obtained by Entertainment to effect the transfer thereof and the assumption of the Entertainment Assumed Liabilities by Entertainment or otherwise appropriate to carry out the transactions contemplated hereby.

(c) On and after the date hereof, each of Micro and Entertainment will, at the reasonable request of Industries, execute, acknowledge and deliver all such assumptions, endorsements and other instruments and documents, and take such other actions necessary (i) to assume, pay, honor and discharge the Micro Assumed Liabilities and Entertainment Assumed Liabilities, respectively, and (ii) to assist Industries in obtaining the consent and approval of all governmental bodies and other Persons required to be obtained by Industries to effect the transfer of the assets to be transferred to Micro or Entertainment pursuant to Article III hereof, respectively, and the assumption of the Micro Assumed Liabilities and Entertainment Assumed Liabilities by Micro and Entertainment, respectively, or otherwise appropriate to carry out the transactions contemplated hereby.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Certain Industries Representations. Industries hereby represents and warrants to Micro and Entertainment on the date hereof, and to Entertainment on the date of the adoption or designation of the Entertainment Thrift Plan and the Entertainment Retirement Plan, that the Industries Thrift Plan and the Industries Retirement Plan have been established in accordance with the Code and ERISA, are qualified under Section 401(a) of the Code, have been so qualified during the period from their adoption to the date hereof and each will be so qualified as of the date of the transfers referred to in Section 3.01 and 3.03 respectively, and that each trust forming a part thereof is exempt from tax pursuant to Section 501(a) of the Code.

ARTICLE V

INDEMNIFICATION

SECTION 5.01. Indemnification by Micro. Micro agrees to indemnify and hold harmless Entertainment and its Subsidiaries and their respective directors, officers, agents and employees (each, an "Entertainment Indemnified Person") and Industries, its Subsidiaries and their respective directors, officers, agents and employees (each, an "Industries Indemnified Person") from any and all damage, loss, liability and expense (including, without limitation, reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, suit or proceeding) (collectively, "Loss") incurred or suffered by such Entertainment Indemnified Person or Industries Indemnified Person, as the case may be, arising out of or related to the Micro Assumed Liabilities.

SECTION 5.02. Indemnification by Entertainment. Entertainment agrees to indemnify and hold harmless Micro and its Subsidiaries and their respective directors, officers, agents and employees (each, a "Micro Indemnified Person") and each Industries Indemnified Person from any and all Losses, incurred or suffered by such Micro Indemnified Person or Industries Indemnified Person, as the case may be, arising out of or related to the Entertainment Assumed Liabilities.

SECTION 5.03. Indemnification by Industries. Industries agrees to indemnify and hold harmless each Entertainment Indemnified Person and each Micro Indemnified Person from any and all Losses, incurred or suffered by such Micro Indemnified Person or Industries Indemnified Person, as the case may be, arising out of or related to the Industries Retained Liabilities.

ARTICLE VI

GENERAL PROVISIONS

SECTION 6.01. Parties. Nothing in this Agreement, express or implied, is intended to confer upon any person not a party any rights and remedies hereunder.

SECTION 6.02. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to its conflict of laws provisions.

SECTION 6.03. Headings. The Section and other headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

SECTION 6.04. Entire Agreement. This Agreement constitutes the entire agreement between the parties in respect of the subject matter contained herein and neither this Agreement nor any term or provision hereof may be amended or changed except by an instrument in writing signed by Industries, Micro and Entertainment. Industries shall deliver prompt written notice to each other party hereto of any amendment to this Agreement approved pursuant to this Section.

SECTION 6.05. Assignments. This Agreement shall not be assignable by any party, without the written consent of the other parties hereto. No assignment of any right or benefit hereunder shall relieve any obligation of the assignor hereunder without the written consent of the other party.

SECTION 6.06. Notices. Any notice, request, instruction or other document to be given hereunder by any party hereto to another party hereto shall be in writing (including telecopier or similar writing) and shall be given to such party at its address set forth on the signature pages hereof, or to such other address as the party to whom notice is to be given may provide in a written notice to the party giving such notice, a copy of which written notice shall be on file with the Secretary of Industries. Each such notice, request or other communication shall be effective (i) if given by telecopy, when such telecopy is transmitted to the telecopy number specified on the signature pages hereof and the appropriate confirmation is received, (ii) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid addressed as aforesaid or (iii) if given by any other means, when delivered at the address specified in this Section 6.06.

SECTION 6.07. Severability. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of this Agreement, including any such provision, in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

SECTION 6.08. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

INGRAM INDUSTRIES INC.

By: /s/ John R. Ingram

Name: John R. Ingram
Title: Co-President
One Belle Meade Place
4400 Harding Road
Nashville, TN 32705
Telecopy: (615) 298-8242

INGRAM MICRO INC.

By: /s/ Jeffrey R. Rodek

Name: Jeffrey R. Rodek
Title:
1600 East Saint Andrew Place
Santa Ana, CA 92705
Telecopy: (714) 566-7900

INGRAM ENTERTAINMENT INC.

By: /s/ David B. Ingram

Name: David B. Ingram
Title: Chairman and President
Two Ingram Boulevard
La Vergne, TN 37086
Telecopy: (615) 287-4985

EXHIBIT 10.20

DATA CENTER SERVICES AGREEMENT

AGREEMENT dated as of November 6, 1996, among Ingram Micro Inc., a Delaware corporation ("MICRO"), Ingram Book Company ("BOOK"), a division of Ingram Industries Inc., a Tennessee corporation, and Ingram Entertainment Inc., a Tennessee corporation ("ENTERTAINMENT").

In consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

ARTICLE 1

PERFORMANCE OF SERVICES

SECTION 1.1. PROVISION OF SERVICES. On the terms and subject to the conditions of this Agreement, during the term of this Agreement Micro agrees to provide to Book, Entertainment and their respective Subsidiaries, or procure the provision to each of Book, Entertainment and their respective Subsidiaries of, and each of Book and Entertainment (on behalf of itself and its Subsidiaries) agrees to purchase from Micro, the services performed at the Ingram Micro Data Center in La Vergne, Tennessee and described on the Schedules attached hereto (the "SERVICES"). Unless otherwise specifically agreed by the parties, the Services to be provided or procured by Micro hereunder shall be substantially similar in scope, quality and nature to those provided to, or procured on behalf of, Book, Entertainment and their respective Subsidiaries prior to the date hereof.

SECTION 1.2. SERVICE FEES; EXPENSES. (a) The Schedules hereto indicate, with respect to each Service listed thereon, the method by which fees (the "SERVICE FEES") to be charged to Book or Entertainment, as the case may be, for such Service will be determined. Each of Book and Entertainment agrees to pay to Micro in the manner set forth in Section 1.3 the Service Fees applicable to each of the Services provided by Micro to Book (and its Subsidiaries) and Entertainment (and its Subsidiaries), respectively, pursuant to the terms hereof.

(b) In addition to any other amounts payable to Micro hereunder, each of Book and Entertainment shall reimburse Micro in the manner set forth in

(c) In addition to any other amounts payable to Micro hereunder, each of Book and Entertainment shall reimburse Micro in the manner set forth in Section 1.3 for all out-of-pocket expenses (including without limitation travel expenses, professional fees, printing and postage) incurred by Micro in connection with the performance of Services pursuant to this Agreement, to the extent that such expenses have not already been taken into account in determining the Service Fees applicable to such Services.

(c) In addition to any other amounts payable to Micro hereunder, each of Book and Entertainment shall reimburse Micro in the manner set forth in Section 1.3 for any taxes, excises, imposts, duties, levies, withholdings or other similar charges (excepting any charges for taxes due on Micro's income) that Micro and its Subsidiaries may be required to pay on account of Book (and its Subsidiaries) and Entertainment (and its Subsidiaries), respectively, in connection with the performance of Services or with respect to payments made by Book or Entertainment for such Services pursuant to this Agreement.

SECTION 1.3. INVOICING AND SETTLEMENT OF COSTS. (a) Micro will deliver an invoice to each of Book and Entertainment on a monthly basis (not later than the fifth day of each accounting month) for (i) Service Fees in respect of Services provided during the prior accounting month to Book (and its Subsidiaries) and Entertainment (and its Subsidiaries), respectively, and (ii) other amounts owing to Micro pursuant to Section 1.2. Each such invoice shall (A) provide sufficient detail to identify each Service, the fee therefor and the method of calculating such fee, (B) identify all third party costs included in the invoice to the extent specifically billed and (C) include such other data as may be reasonably requested by Book or Entertainment. In addition, Book and Entertainment shall have the right to examine any and all books and records as they reasonably request in order to confirm and verify the calculation of the amount of any payment pursuant to this Section and Micro shall cooperate in any reasonable manner in such examination as Book or Entertainment shall request.

(b) Payment (including payment of any amounts disputed pursuant to Section 1.3(c)) of each invoice shall

be due from Book and Entertainment on the day (or the next business day, if such day is not a business day) that is the later of (i) the third day prior to the end of the accounting month in which such invoice was received and (ii) the tenth day after the receipt of such invoice (each, a "PAYMENT DATE"), by wire transfer of immediately available funds payable to the order of Micro. If either Book or Entertainment fails to make any payment within 30 days of the relevant Payment Date, the party that has failed to make such payment shall be obligated to pay, in addition to the amount due on such Payment Date, interest on such amount at the prime, or best rate announced by Nationsbank of Texas, N.A. per annum compounded annually from the relevant Payment Date through the date of payment.

(c) In the event that Book or Entertainment disputes any charges invoiced by Micro pursuant to this Agreement, Book or Entertainment shall deliver a written statement describing the dispute to Micro within 15 days following receipt of the disputed invoice. The statement shall provide a sufficiently detailed description of the disputed items. The parties hereto shall use their best efforts to resolve any such disputes. Amounts not so disputed shall be deemed accepted. Disputed amounts resolved in favor of Book or Entertainment (together with interest on such amounts at the prime, or best rate announced by Nationsbank of Texas, N.A. per annum compounded annually from the date such disputed amounts were paid to Micro to the next relevant Payment Date) shall be credited against payments owing by Book and Entertainment, respectively, to Micro on the next relevant Payment Date.

(d) Unless otherwise specified on the Schedules hereto, in the event that the actual utilization of a Service is less than the period specified on such Schedules with respect to such Service, then the Service Fees for such Service shall be prorated on the basis of actual utilization of such Service; provided that the monthly charges shall not be prorated on any period of time less than one day, the per diem charge shall not be prorated on any period of time less than one-half day, and the hourly charges shall not be prorated on any period of time less than one hour.

SECTION 1.4. TERM. The term of this Agreement shall commence on the date hereof and shall end on July 31, 1999, unless earlier terminated pursuant to the terms hereof. The provisions of Section 1.2 (with respect to amounts accrued prior to such termination) shall survive any termination of this Agreement.

SECTION 1.5. LIMITED WARRANTY. Micro will provide the Services hereunder in good faith, with the care and diligence that it exercises in the performance of such services for its divisions and Subsidiaries. Each of Book and Entertainment hereby acknowledges that Micro does not regularly provide to third parties services such as the Services as part of its business and that, except as set forth in Section 1.1 or in this Section 1.5, Micro does not otherwise warrant or assume any responsibility for its Services. The warranty stated above is in lieu of and exclusive of all other representations and warranties of any kind whatsoever. EXCEPT AS STATED ABOVE, THERE ARE NO WARRANTIES RELATING TO THE SERVICES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

SECTION 1.6. PERFORMANCE REMEDY. In the event that Micro fails to provide a Service hereunder, or the quality of a Service is not in accordance with Section 1.1 or Section 1.5, Book or Entertainment may give Micro prompt written notice thereof. Micro will then have thirty days to cure the defective Service. If after such period Micro has failed to cure the defective Service, Book or Entertainment, as the case may be, may seek an alternative provider for such Service and Micro shall discontinue performing such Service at the written request of Book or Entertainment, respectively. Neither Book nor Entertainment shall be liable to Micro for any Service performed by Micro after Micro has been given written notice of termination of such Service pursuant to this Section 1.6, except for any out-of-pocket costs incurred by Micro in connection with the cessation of such Services or the transfer of such Services back to Book, Entertainment or their respective designees. Except as otherwise expressly provided in Article 2, the provisions of this Section 1.6 will provide the exclusive remedy for any misrepresentation, breach of warranty, covenant or other agreement or other claim arising out of this Agreement or the Services to be performed hereunder.

ARTICLE 2

INDEMNIFICATION

SECTION 2.1. LIMITATION OF LIABILITY. Book and Entertainment agree that none of Micro, any of its Subsidiaries or any of their respective directors, officers, agents and employees (each, an "MICRO INDEMNIFIED PERSON") shall have any liability, whether direct or indirect, in contract, tort or otherwise, to Book or Entertainment arising out of or attributable to the performance or nonperformance of Services pursuant to this Agreement.

SECTION 2.2. INDEMNIFICATION. (a) Book agrees to and does hereby indemnify and hold each Micro Indemnified Person harmless from and against any and all damage, loss, liability and expense (including without limitation reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, claim, suit or proceeding, including any expenses incurred in connection with the enforcement of the rights of such Micro Indemnified Person pursuant to this Agreement) to which such Micro Indemnified Person may be subjected as a result of a claim made by a third party arising out of or attributable, directly or indirectly, (i) to the performance or nonperformance for Book of any Services or (ii) otherwise in connection with this Agreement.

(b) Entertainment agrees to and does hereby indemnify and hold each Micro Indemnified Person harmless from and against any and all damage, loss, liability and expense (including without limitation reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, claim, suit or proceeding, including any expenses incurred in connection with the enforcement of the rights of such Micro Indemnified Person pursuant to this Agreement) to which such Micro Indemnified Person may be subjected as a result of a claim made by a third party arising out of or attributable, directly or indirectly, (i) to the performance or nonperformance for Entertainment of any Services or (ii) otherwise in connection with this Agreement.

(c) The parties agree to follow the procedures set forth in Section 5.3(a) and 5.3(b) of the Reorganization Agreement dated as of September 4, 1996 among the parties hereto with respect to any claim for indemnification made pursuant to this Section 2.2.

SECTION 2.3. OWNERSHIP OF WORK PRODUCT. (a) Except for the data provided by Book or Entertainment to

Micro and the reports produced by Micro for Book or Entertainment pursuant to this Agreement, all proprietary tools and methodologies and all written material including programs, tapes, listing and other programming documentation which were preexisting or originated and prepared by Micro pursuant to this Agreement shall belong to Micro except as otherwise agreed by the parties in a separate written agreement signed by each party.

(b) No license under any trade secrets, copyrights, or other rights is granted by this Agreement or any disclosure hereunder.

(c) Book and Entertainment shall have reasonable access to all data, records, files, statements, records, invoices, billings, and other information generated by or in custody of Micro relating to the Services provided pursuant to this Agreement. Unless otherwise specified by Book or Entertainment or required by law, Micro shall maintain all such business records pertaining to the Services and will retain the records pertaining to each Service for a period of twelve months after the cessation of such Service. At the request of Book or Entertainment, Micro shall provide copies of records pertaining to the Services.

ARTICLE 3

GENERAL PROVISIONS

SECTION 3.1. PARTIES. Nothing in this Agreement, express or implied, is intended to confer upon any person not a party any rights and remedies hereunder.

SECTION 3.2. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to its conflict of laws provisions.

SECTION 3.3. HEADINGS. The Section and other headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

SECTION 3.4. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement among the parties in respect of the subject matter contained herein and neither this Agreement nor any term or provision hereof may be amended or waived except by an instrument in writing signed, in the case of an amendment, by each party and, in the case

of a waiver, by the party against whom the waiver is to be effective.

SECTION 3.5. ASSIGNMENTS. This Agreement shall not be assignable by any party without the written consent of the other parties hereto. No assignment of any right or benefit hereunder shall relieve any obligation of the assignor hereunder without the written consent of the other parties.

SECTION 3.6. NOTICES. Any notice, request, instruction or other document to be given hereunder by any party hereto to another party hereto shall be in writing (including telecopier or similar writing) and shall be given to such party at its address set forth on the signature pages hereof, or to such other address as the party to whom notice is to be given may provide in a written notice to the party giving such notice, a copy of which written notice shall be on file with the Secretary of Micro. Each such notice, request or other communication shall be effective (i) if given by telecopy, when such telecopy is transmitted to the telecopy number specified on the signature pages hereof and the appropriate confirmation is received, (ii) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid addressed as aforesaid or (iii) if given by any other means, when delivered at the address specified in this Section 3.6.

SECTION 3.7. DEFINITIONS. Terms used but not defined herein shall have the meanings set forth in the Reorganization Agreement dated as of September 4, 1996 among the parties hereto.

SECTION 3.8. SEVERABILITY. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of this Agreement, including any such provision, in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

SECTION 3.9. INDEPENDENT CONTRACTORS. The parties hereto are independent contractors. Nothing in this Agreement is intended or shall be deemed to constitute a partnership, agency, franchise or joint venture relationship among the parties. No party shall incur any debts or make any commitments for the others, except to the extent, if at all, specifically provided herein.

SECTION 3.10. REMEDIES. The parties hereby acknowledge and agree that in the event of any breach of this Agreement, the parties would be irreparably harmed and could not be made whole by monetary damages. Each party hereto agrees (i) not to assert by way of defense or otherwise that a remedy at law would be adequate, and (ii) in addition to any other remedy to which the parties may be entitled, that the remedy of specific performance of this Agreement is appropriate in any action in court.

SECTION 3.11. CONSENT TO JURISDICTION. Each party hereto irrevocably submits to the non-exclusive jurisdiction of any Tennessee State Court or United States Federal Court sitting in the Middle District of Tennessee over any suit, action or proceeding arising out of or relating to this Agreement. Each party hereto waives any right it may have to assert the doctrine of forum non conveniens or to object to venue to the extent any proceeding is brought in accordance with this Section 3.11. Nothing in this paragraph shall affect or limit any right to serve process in any manner permitted by law, to bring proceedings in the courts of any jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

SECTION 3.12. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

INGRAM MICRO INC.

By: /s/ Jeffrey R. Rodek

Name: Jeffrey R. Rodek
Title: President
1600 East Saint Andrew Place
Santa Ana, CA 92705
Telecopy: (714) 566-7900

INGRAM BOOK COMPANY, A DIVISION OF INGRAM INDUSTRIES INC.

By: /s/ John R. Ingram

Name: John R. Ingram
Title: Co-President
One Belle Meade Place
4400 Harding Road
Nashville, TN 32705
Telecopy: (615) 298-8242

INGRAM ENTERTAINMENT INC.

By: /s/ David B. Ingram

Name: David B. Ingram
Title: Chairman & President
Two Ingram Boulevard
La Vergne, TN 37086
Telecopy: (615) 287-4985

EXHIBIT 10.21

AMENDED AND RESTATED EXCHANGE AGREEMENT

among

INGRAM INDUSTRIES INC.,

INGRAM MICRO INC.,

INGRAM ENTERTAINMENT INC.,

AND

THE PERSONS IDENTIFIED
ON THE SIGNATURE PAGES HEREOF

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ARTICLE 6

CERTAIN AGREEMENTS; TAX MATTERS

ARTICLE 7

MISCELLANEOUS

AMENDED AND RESTATED EXCHANGE AGREEMENT

AGREEMENT dated as of September 4, 1996, as amended and restated as of October 17, 1996, among Ingram Industries Inc., a Tennessee corporation ("Industries"), Ingram Micro Inc., a Delaware corporation ("Micro"), Ingram Entertainment Inc., a Tennessee corporation ("Entertainment" and, together with Industries and Micro, the "Ingram Companies"), and each Person listed on the signature pages hereof.

The parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

SECTION 1.1. Definitions. (a) The following terms, as used herein, have the following meanings:

"Board Representation Agreement" means the Board Representation Agreement substantially in the form attached as Exhibit C hereto.

"Entertainment Common Stock" means shares of common stock, without par value, of Entertainment.

"Exchange" means the exchange of Industries Common Stock pursuant to Article 2.

"Exchange Securities" means the shares of Industries Common Stock to be exchanged pursuant to Article 2.

"Family Stockholders" means the Family Stockholders set forth on Annex II hereto.

"First Closing" means the closing of the transactions contemplated by Section 2.2.

"Group" means any Stockholder Group, which includes the Micro Group, the Entertainment Group, the Industries Group, the Family Group, and the Industries Optionholder Group, in each case as indicated on Annex I hereto.

"Holder" means each Person listed on the signature pages hereof (other than any Ingram Company), each Person who becomes a party to this Agreement pursuant to Section 2.4 or 2.5, or all of them, as the context requires; provided that any Person who withdraws from this Agreement pursuant to Section 7.8(d) shall cease to be a Holder effective on the date of such withdrawal.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"Industries Common Stock" means shares of Class A common stock and Class B common stock, without par value, of Industries.

"Investment Manager" means State Street Bank and Trust Company, in its capacity as investment manager with respect to the Thrift Plan.

"Micro Common Stock" means shares of Class B common stock, par value $0.01 per share, of Micro.

"Person" means an individual, corporation, partnership, limited liability company, trust, association or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"QTIP" means the E. Bronson Ingram Qtip Marital Trust.

"Related Agreements" means the Transfer Restrictions Agreement substantially in the form attached as Exhibit A hereto, the Registration Rights Agreement substantially in the form attached as Exhibit B hereto, the Amended and Restated Stock Option, SAR and ISU Conversion and Exchange Agreement substantially in the form attached as Exhibit D hereto and the Thrift Plan Liquidity Agreement.

"Reorganization Agreement" means the Amended and Restated Reorganization Agreement dated as of September 4, 1996, as amended and restated as of October 17, 1996, among Industries, Micro and Entertainment.

"Second Closing" means the closing of the transactions contemplated by Section 2.3.

"Securities Act" means the Securities Act of 1933, as amended.

"Subsidiary" means, (i) with respect to Entertainment or Micro, any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are directly or indirectly owned by such Person immediately after the First Closing and (ii) with respect to Industries, any entity (other than Entertainment or its Subsidiaries) of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are directly or indirectly owned by Industries immediately after the First Closing.

"Thrift Plan" means the Ingram Thrift Plan.

"Thrift Plan Liquidity Agreement" means the Thrift Plan Liquidity Agreement substantially in the form attached as Exhibit G hereto.

(b) Each of the following terms is defined in the Section set forth opposite such term:

Term	Section
Adjustment Amount	6.5
Affected Group	7.8
Charitable Trusts and Foundation	7.8
Claims	2.6
Entertainment Tax Ruling	5B.2
Exercising Optionholder	2.5
First Closing Date	2.2
HLH&Z	5.5
Holder's Fraction	2.1
Initial Adjustment Period	6.5
Micro Tax Ruling	5A.2
Offer Period	2.4
Option Record Date	2.5
Other Holder	2.4
Required Holders	7.8
Second Closing Date	2.3
Unexchanged Shares	2.1

ARTICLE 2

EXCHANGE

SECTION 2.1. Exchange by Holders. On the terms and subject to the conditions set forth herein, each Holder who is a member of the

Stockholder Groups hereby agrees to exchange the number of shares of Industries Common Stock set forth opposite the name of such Holder under the heading "III Common Stock To Be Exchanged" on Annex I; provided that the number of shares of Industries Common Stock to be exchanged for shares of Micro Common Stock by each Holder that is a member of the Family Group shall be increased by an amount equal to the product of

(a) the sum (the "Unexchanged Shares") of (x) the product of of .7599 and the aggregate number of shares of Industries Common Stock set forth under the heading "III Common Stock Owned" on Annex I opposite the name of each Holder that is a member of the Industries Group identified under such heading who does not elect to participate in the Exchange pursuant to Section 2.4; and (y) the product of .7284 and the aggregate number of shares of Industries Common Stock acquired upon exercise after December 31, 1995 of options held as of December 31, 1995 as set forth under the heading "III Common Stock Owned" on Annex I opposite the name of each Holder that is a member of the Industries Optionholder Group who does not elect to participate in the Exchange pursuant to Section 2.4; and

(b) a fraction (the "Holder's Fraction"), the numerator of which shall equal the number of shares of Industries Common Stock set forth opposite the name of such Holder that is a member of the Family Group under the heading "III Common Stock Owned" on Annex I and the denominator of which shall equal the total number of shares of Industries Common Stock set forth opposite the name of all Holders that are members of the Family Group under the heading "III Common Stock Owned" on Annex I.

Except as otherwise determined by the Board of Directors of Industries, if the Exchange Securities of any Holder constitute less than 100% of such Holder's Industries Common Stock, the Exchange Securities of such Holder shall, to the extent practicable, consist of 90% of Class B common stock of Industries and 10% of Class A common stock of Industries.

SECTION 2.2. The First Closing. (a) The First Closing shall take place at the executive offices of Industries in Nashville, Tennessee or at such other place, and at such time, as the Ingram Companies may agree following satisfaction or waiver of the conditions set forth in Article 5A. The date and time of such closing are referred to herein as the "First Closing Date". The First Closing shall take place in two phases as specified below.

(b) In the first phase, the following actions shall take place simultaneously:

(i) the Thrift Plan, pursuant to the written instructions of the Investment Manager, shall deliver to Industries (x) certificates representing the Exchange Securities of the Thrift Plan, duly endorsed in blank or accompanied by a duly executed stock power and (y) executed counterpart signature pages to each Related Agreement; and

(ii) Industries shall deliver to the Thrift Plan certificates representing the number of shares of Micro Common Stock, rounded up to the nearest whole share, which the Thrift Plan is entitled to receive as set forth opposite the name of the Thrift Plan on Annex I thereto.

(c) Immediately following the first phase, the following actions shall take place simultaneously in the second phase:

(i) The Exchange Securities to be exchanged pursuant to Section 2.2(c)(ii) and the other related documents tendered pursuant to Section 2.7 shall be released from escrow to Industries;

(ii) Industries shall deliver to each Holder (other than the Thrift Plan), certificates representing the number of shares of Micro Common Stock which such Holder is entitled to receive as set forth opposite the name of such Holder on Annex I, rounded up to the nearest whole share, plus with respect to each Holder that is a member of the Family Group, the number of shares of Micro Common Stock, rounded up to the nearest whole share, represented by the product of (A) such Holder's Fraction and (B) the product of 1.3729 and the Unexchanged Shares; and

(iii) Industries shall deliver to Micro for cancellation all of the shares of Micro Common Stock that have not been delivered to the Thrift Plan pursuant to Section 2.2(b) or to the Holders pursuant to Section 2.2(c).

(d) If pursuant to Section 2.7 any Holder (other than a Holder that is a member of the Entertainment Group) has delivered to Industries certificates representing a greater number of shares of Industries Common Stock than the number of Exchange Securities of such Holder, at the First Closing, Industries shall deliver to such Holder a new certificate representing the number of shares (if any) of the class of Industries Common Stock, rounded up to the nearest whole share, to be retained by such Holder immediately following the Exchange.

SECTION 2.3. The Second Closing. The Second Closing shall take place at the executive offices of Industries in Nashville, Tennessee or at such other place, and at such time, as Industries and Entertainment may agree following satisfaction or waiver of the conditions set forth in Article 5B. The date and time of closing are referred to herein as the "Second Closing Date". At the Second Closing:

(i) The Exchange Securities to be exchanged pursuant to Section 2.3(ii) and the other related documents tendered pursuant to Section 2.7 shall be released from escrow to Industries;

(ii) Industries shall deliver to each Holder identified on Annex I hereto as being a member of the Entertainment Group, certificates representing the number of shares of Entertainment Common Stock, rounded up to the nearest whole share, which such Holder is entitled to receive as set forth opposite the name of such Holder on Annex I hereto; and

(iii) Industries shall deliver to Entertainment for cancellation all of the shares of Entertainment Common Stock that have not been delivered to the Holders pursuant to Section 2.3(ii).

SECTION 2.4. Other Holders. Within 15 days following September 4, 1996, Industries shall offer each stockholder of Industries set forth on Annex I that has not signed this Agreement on September 4, 1996 (each, an "Other Holder") the opportunity to participate in the Exchange by exchanging the Exchange Securities of such Person on the terms and conditions set forth on Annex I. Each Other Holder may elect to participate in the Exchange by delivering to Industries no later than 20 business days following the date on which the offer is made or such later date as Industries may specify in its sole discretion following September 4, 1996 (the "Offer Period"), an executed counterpart signature page to this Agreement and the documents referred to in Section 2.7. Upon execution and delivery thereof to Industries, such Other Holder shall become a party to this Agreement effective as of September 4, 1996 and shall be bound by all of the provisions hereof.

SECTION 2.5. Exercising Optionholders. Industries shall offer each Person listed on Annex I as being a member of the Entertainment Group who acquires shares of Industries Common Stock upon exercise of stock options after the First Closing Date and prior to a date (the "Option Record Date") fixed by the board of directors of Industries, which date shall not be more than 30 business days prior to the Second Closing Date (an "Exercising Optionholder"), the opportunity to exchange such shares of Industries Common Stock on the terms and conditions set forth in Sections 2.1 and 2.3 for shares of Entertainment Common Stock. Industries shall deliver notice of the Option Record Date promptly following determination thereof to each such Person holding stock options that will be exercisable prior to such Option Record Date. Each Exercising Optionholder may elect to participate in the Exchange by delivering to Industries, no later than 20 business days following the Option Record Date, an executed counterpart signature page to this Agreement and the documents referred to in Section 2.7. Upon execution and delivery thereof to Industries, such Exercising Optionholder shall become a party to this Agreement effective as of September 4, 1996 and shall be bound by all of the provisions hereof.

SECTION 2.6. Acknowledgement and Release. (a) Each Holder hereby agrees that, as of September 4, 1996, the fair value of the securities to be received by such Holder in the Exchange is equal to the fair value of such Holder's Exchange Securities. Each Holder hereby acknowledges that an initial public offering of Micro Common Stock is contemplated, but no assurance can be given as to whether such public offering will be consummated or as to the market value of the Micro securities to be sold in such public offering or whether a market for such securities will develop or be maintained.

(b) In consideration of the Exchange and effective at the First Closing (in the case of each Holder, with respect to Exchange Securities of such Holder that are exchanged at the First Closing) and at the Second Closing (in the case of each Holder that is a member of the Entertainment Group, with respect to Exchange Securities of such Holder that are exchanged at the Second Closing), each Holder hereby unconditionally and irrevocably releases and discharges each Ingram Company and each other Person directly or indirectly controlling, controlled by, or under common control with, such Ingram Company and any and all directors, officers and shareholders of any of the foregoing, of any claim, obligation or liability, in law or in equity, that such Holder had in the past, now has or hereafter shall or may have for, upon or by reason of any event, matter or thing which has occurred from the beginning of the world to the First Closing Date or the Second Closing Date, respectively (the "Claims"), arising out of or relating to such Holder's ownership of Industries Common Stock, including without limitation (i) Claims alleging that such Holder has a right to receive additional or different consideration in the Exchange and (ii) Claims against directors of any Ingram Company alleging a breach of fiduciary duty of such directors arising in connection with the transactions contemplated hereby or by the Board Representation Agreement, the Related Agreements, the Reorganization Agreement or the Ancillary Agreements (as defined in the Reorganization Agreement) or any other agreement referred to herein or therein, except that no Holder shall agree hereby to waive any such Claim to the extent that any such director was not acting in good faith.

SECTION 2.7. Surrender of Existing Certificates. (a) Except as otherwise provided in Section 2.7(b), concurrently with the execution by each Holder (other than the Thrift Plan) of this Agreement, such Holder will deliver to Industries in escrow pending the consummation of the First Closing or the Second Closing, as applicable, executed counterpart signature pages to each Related Agreement and all certificates representing the Exchange Securities owned by such Holder. Each certificate representing such Exchange Securities shall be duly endorsed in blank or accompanied by a duly executed stock power. Each Holder that is an Exercising Optionholder also will deliver to Industries in escrow pending the consummation of the Second Closing executed counterpart signature pages to an agreement pursuant to which such Holder would be subject to certain restrictions on the ability of such Holder to transfer shares of Entertainment Common Stock to be received by such Holder in the Exchange (which restrictions will be similar to the restrictions applicable to the Exchange Securities of Holder immediately prior to the Second Closing).

(b) Notwithstanding anything to the contrary in Section

2.7(a), (i) no later than two days prior to the First Closing Date, each of the Family Stockholders, the QTIP and the Charitable Trusts and Foundation will deliver to Industries in escrow pending consummation of the First Closing all certificates representing the Exchange Securities owned by such Holder, duly endorsed in blank or accompanied by a duly executed stock power, and (ii) all certificates representing Exchange Securities which are currently pledged to Nationsbank, N.A., Nationsbank of Tennessee, N.A. or First American National Bank shall be delivered by the pledgee to Industries at the First Closing (or, in the case of Exchange Securities to be exchanged at the Second Closing pursuant to Section 2.3, at the Second Closing), duly endorsed as described above.

(c) Certificates representing Exchange Securities held in escrow pursuant to this Section 2.7 shall promptly be returned to the Holder thereof upon any termination of this Agreement pursuant to Section 7.6.

SECTION 2.8. Certain Representations and Warranties. Micro represents and warrants to each Holder as of September 4, 1996 and as of the First Closing Date that the shares of Micro Common Stock to be delivered pursuant to Section 2.2 are validly issued, fully paid and non-assessable. Entertainment represents and warrants to each Holder as of September 4, 1996 and as of the Second Closing Date that the shares of Entertainment Common Stock to be delivered pursuant to Section 2.3 are validly issued, fully paid and non-assessable.

SECTION 2.9. Legend. Each certificate representing a share of Micro Common Stock or Entertainment Common Stock to be acquired pursuant to this Agreement shall (except as provided below) include any legends required pursuant to applicable securities laws and a legend in substantially the following form:

> THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE OR FOREIGN SECURITIES LAWS AND MAY NOT BE OFFERED OR SOLD EXCEPT IN COMPLIANCE THEREWITH.

Any Holder or transferee of a share of Micro Common Stock or Entertainment Common Stock may, upon providing evidence (including without limitation an opinion of counsel) reasonably satisfactory to Micro or Entertainment, respectively, that such share either is not a "restricted security" (as defined in Rule 144 promulgated under the Securities Act) or may be sold pursuant to Rule 144(k) promulgated under the Securities Act, exchange the certificate representing such share for a new certificate that does not bear such legend.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF EACH HOLDER

Each Holder hereby represents and warrants to each Ingram Company as of September 4, 1996, as of October 17, 1996, as of the First Closing Date and, in the case of any Holder that is a member of the Entertainment Group, as of the Second Closing Date, as follows:

SECTION 3.1. Private Placement. (a) Such Holder understands that (i) the Exchange and the delivery of securities in the Exchange as contemplated hereby is intended to be exempt from registration under the Securities Act pursuant to Section 4(2) of the Securities Act and (ii) there is no existing public or other market for such securities and, except as otherwise provided in the Related Agreements, there can be no assurance that such Holder will be able to sell or dispose of the securities delivered to such Holder pursuant to the terms hereof.

(b) The securities to be acquired by such Holder pursuant to this Agreement are being acquired for its own account for investment and without a view to the public distribution of such securities or any interest therein.

(c) Unless Industries has been notified in writing to the contrary prior to September 4, 1996, such Holder is an "Accredited Investor" as such term is defined in Regulation D promulgated under the Securities Act.

(d) Such Holder has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the securities to be acquired by such Holder pursuant to this Agreement and such Holder is capable of bearing the economic risks of such investment, including a complete loss of its investment in such securities, since such securities may not be transferred except as provided in the Related Agreements.

(e) Such Holder has been given the opportunity to ask questions of, and receive answers from the Ingram Companies concerning the Ingram Companies, the securities to be acquired by such Holder pursuant to this Agreement, the transactions contemplated hereby and by the Reorganization Agreement and other related matters. Such Holder further represents and warrants to each Ingram Company that such Ingram Company has made available to such Holder or its agents all documents and information relating to an investment in such securities requested by or on behalf of such Holder. In evaluating the suitability of an investment in such securities, such Holder has not relied upon any other representations or other information (whether oral or written) made by or on behalf of any Ingram Company.

(f) Such Holder understands that (i) the securities to be acquired by such Holder pursuant to this Agreement may not be transferred except in compliance with the provisions of the Related Agreements and (ii) such securities will bear a legend to such effect.

SECTION 3.2. Ownership. Except as set forth on Schedule 3.2, such Holder is the record and beneficial owner of the Exchange Securities of such Holder. Except as set forth on Schedule 3.2, such Exchange Securities are and, as of the First Closing (and, if such Holder is a member of the Entertainment Group, as of the Second Closing) will be, free and clear of any lien, pledge, charge, security interest or encumbrance of any kind and any other limitation or restriction (including without limitation any restriction on the right to vote, sell or otherwise dispose of such Exchange Securities).

SECTION 3.3. Tax Matters. There is no plan or intention by such Holder to sell, exchange, transfer by gift or otherwise dispose of any of such Holder's stock in any of the Ingram Companies subsequent to the Exchange.

SECTION 3.4. Community Property. If such Holder's Exchange Securities constitute community property, this Agreement has been executed and delivered by such Holder's spouse, who shall be bound hereby, and the representations and warranties contained in Article 3 (other than the first sentence of Section 3.2), Article 4 and Section 6.2 are true and correct as to such spouse.

SECTION 3.5. Representation of the Thrift Plan. If such Holder is the Thrift Plan, the Investment Manager has made the determination as of September 4, 1996 that the exchange of the Thrift Plan's shares of Industries Common Stock for Micro Common Stock is prudent and in the best interest of the Thrift Plan participants and beneficiaries.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF EACH PARTY

Each party hereto hereby represents and warrants to each other party hereto as of September 4, 1996, as of October 17, 1996, as of the First Closing Date and, in the case of Entertainment, Industries and each Holder that is a member of the Entertainment Group, as of the Second Closing Date, as follows:

SECTION 4.1. Authority; No Other Action. (a) Such Person, if an individual, has the legal capacity to enter into this Agreement and each Related Agreement. If such Person is not an individual, the execution, delivery and performance by such Person of this Agreement and each Related Agreement are within such Person's powers and have been duly authorized on its part by all requisite action.

(b) No action by or in respect of, or filing with, any governmental authority, agency or official is required for the execution, delivery and performance by such Person of this Agreement and each Related Agreement, other than compliance with any applicable requirements of the HSR Act. The execution, delivery and performance by such Person of this Agreement and each Related Agreement do not (i) contravene or conflict with or constitute a violation of any provision of any existing law, regulation, judgment, injunction, order or decree binding upon or applicable to such Person or (ii) after giving effect to the actions to be taken in connection with the First Closing and, if applicable, the Second Closing, require any further consent, approval or other action by any other Person or constitute a default under any provision of any material agreement, contract, indenture, lease or other instrument binding upon such Person or any material license, franchise, permit or other similar authorization held by such Person which would have a material adverse effect on the business, financial condition or prospects of any such Person.

SECTION 4.2. Binding Effect. This Agreement has been duly executed by such Person and constitutes, and, when executed and delivered, each Related Agreement shall constitute, a valid and binding agreement of such Person.

ARTICLE 5A

CONDITIONS TO FIRST CLOSING

SECTION 5A.1. Conditions to Obligations of the Parties. The obligations of each party to consummate the First Closing are subject to the satisfaction of the following conditions:

(i) any applicable waiting period under the HSR Act relating to the consummation of the First Closing and the transactions contemplated by the Reorganization Agreement and the other agreements referred to herein or therein shall have expired or been terminated;

(ii) no provision of any applicable law or regulation and no judgment, injunction, order or decree shall prohibit the consummation of the First Closing or the transactions contemplated by the Reorganization Agreement and the other agreements referred to herein or therein;

(iii) all actions by or in respect of or filings with any governmental body, agency, official or authority required to permit the consummation of the First Closing and the transactions contemplated by the Reorganization Agreement and the other agreements referred to herein or therein shall have been taken, made or obtained;

(iv) the Related Agreements, the Board Representation Agreement, the Reorganization Agreement and the Ancillary Agreements (as defined in the Reorganization Agreement) shall have been executed

and delivered by each of the parties thereto and shall be in full force and effect; and

(v) the certificate of incorporation and bylaws of Micro shall be substantially in the forms attached as Exhibits E and F, respectively.

SECTION 5A.2. Conditions to Obligation of the Ingram Companies. The obligation of each Ingram Company to consummate the First Closing is subject to the satisfaction of the following further conditions:

(i) (A) each Holder shall have performed in all material respects all of its obligations under this Agreement and any other agreement, certificate or other writing delivered in connection herewith required to be performed by it on or prior to the First Closing Date and (B) the representations and warranties of each Holder contained in this Agreement and in any other agreement, certificate or other writing delivered in connection herewith shall be true at and as of the First Closing Date, as if made at and as of such date;

(ii) (A) a ruling (the "Micro Tax Ruling") with respect to the federal income tax consequences of the transactions contemplated by Section 2.2 and by the Reorganization Agreement and the other agreements referred to herein and therein in form and substance reasonably satisfactory to Industries (and which may be in the same ruling as the Entertainment Tax Ruling) shall have been received and shall not have been revoked and (B) nothing shall have come to the attention of the Board of Directors of Industries that causes them to conclude, after consideration of advice of tax counsel and all other facts and circumstances that they deem appropriate, that significant questions exist as to the validity of the Micro Tax Ruling as applied to the transactions contemplated hereby and by the Reorganization Agreement and the other agreements referred to herein and therein;

(iii) each Ingram Company shall have received an opinion of McDermott, Will & Emery, counsel to the Investment Manager, dated the date of the First Closing, to the effect that the transactions contemplated to be entered into by the Thrift Plan at the First Closing and the consummation thereof will not constitute prohibited transactions under Section 406 of the Employee Retirement Income Security Act of 1974, as amended, or Section 4975 of the Internal Revenue Code of 1986, as amended;

(iv) all third party non-governmental consents, authorizations and approvals required in connection with the consummation of the First Closing and the transactions contemplated by the Reorganization Agreement and the other agreements referred to herein or therein shall have been received, in each case in form and substance reasonably satisfactory to Industries, and no such consent, authorization or approval shall have been revoked;

(v) all receivables, payables and other liabilities (other than loans made to or by any stockholder of Industries and other than purchases and sales of goods in the ordinary course of business) owing between Industries, Entertainment or any of their respective Subsidiaries, on the one hand, and Micro or any of its Subsidiaries, on the other hand, shall have been settled and repaid;

(vi) agreements relating to the transactions referred to on Schedule 5A.2(vi) shall have been executed and delivered by the parties thereto and shall be in full force and effect, and the conditions to closing of each such agreement shall have been satisfied;

(vii) the Offer Period referred to in Section 2.4 shall have expired; and

(viii) the exchanges and conversions contemplated to occur on or prior to the First Closing by the Amended and Restated Stock Option, SAR and ISU Conversion and Exchange Agreement substantially in the form attached as Exhibit D hereto shall have occurred (or shall occur concurrently with the First Closing).

SECTION 5A.3. Conditions to Obligation of the Holders. The obligation of each Holder to consummate the First Closing is subject to the satisfaction of the following further conditions that (i) each Ingram Company shall have performed in all material respects all of its obligations under this Agreement and any other agreement, certificate or other writing delivered in connection herewith required to be performed by it at or prior to the First Closing Date and (ii) the representations and warranties of each Ingram Company contained in this Agreement and in any other agreement, certificate or other writing delivered in connection herewith shall be true at and as of the First Closing Date, as if made at and as of such date.

SECTION 5A.4. Conditions to Obligation of Certain Stockholders. The obligation of each of the Family Stockholders and the QTIP to consummate the First Closing is subject to the satisfaction of the further conditions that (i) the Micro Tax Ruling, in form and substance reasonably satisfactory to each of the Family Stockholders and the QTIP, shall have been received and shall not have been revoked and (ii) nothing shall have come to the attention of any Family Stockholder or the QTIP that causes them to conclude, after consideration of advice of tax counsel and all other facts and circumstances that they deem appropriate, that significant questions exist as to the validity of the Micro Tax Ruling as applied to the transactions contemplated hereby and by the Reorganization Agreement and the other agreements referred to herein and therein.

SECTION 5A.5. Conditions to Obligation of the Thrift Plan. The obligation of the Thrift Plan to consummate the First Closing is subject to the satisfaction of the following further conditions:

(i) the Thrift Plan shall have received an opinion dated the date of the First Closing of McDermott, Will & Emery, counsel to the Investment Manager, in form and substance satisfactory to the trustees of the Thrift Plan, to the effect that the transactions to be entered into by the Thrift Plan, at the First Closing and the consummation thereof will not constitute prohibited transactions under Section 406 of the Employee Retirement Income Security Act of 1974, as amended, or Section 4975 of the Internal Revenue Code of 1986, as amended;

(ii) the Investment Manager of the Thrift Plan shall have received a written opinion from Houlihan, Lokey, Howard & Zukin ("HLH&Z") to the effect that (A) the fair market value of the shares of Micro Common Stock to be received by the Thrift Plan pursuant to Section 2.2 is at least equal to the fair market value of the Exchange Securities of the Thrift Plan and (B) the terms and conditions of the Exchange are fair and reasonable to the Thrift Plan from a financial point of view;

(iii) the Investment Manager shall have provided the written direction to the trustees of the Thrift Plan contemplated under Section 2.2(b)(i); and

(iv) Nothing shall have come to the attention of the Investment Manager that causes it to conclude that its decision to exchange the Thrift Plan's shares of Industries Common Stock for Micro Common Stock was not prudent or in the best interest of the Thrift Plan participants and beneficiaries.

ARTICLE 5B

CONDITIONS TO SECOND CLOSING

SECTION 5B.1. Conditions to Obligations of the Parties. The obligations of Industries, Entertainment and each Holder that is a member of the Entertainment Group to consummate the Second Closing are subject to the satisfaction of the following conditions:

(i) any applicable waiting period under the HSR Act relating to the consummation of the Second Closing and the transactions contemplated by the Reorganization Agreement and the other agreements referred to herein or therein shall have expired or been terminated;

(ii) no provision of any applicable law or regulation and no judgment, injunction, order or decree shall prohibit the consummation of the Second Closing or the transactions contemplated by the Reorganization Agreement and the other agreements referred to herein or therein; and

(iii) all actions by or in respect of or filings with any governmental body, agency, official or authority required to permit the consummation of the Second Closing and the transactions contemplated by the Reorganization Agreement and the other agreements referred to herein or therein shall have been taken, made or obtained.

SECTION 5B.2. Conditions to Obligation of Industries and Entertainment. The obligation of Industries and Entertainment to consummate the Second Closing is subject to the satisfaction of the following further conditions:

(i) (A) each Holder that is a member of the Entertainment Group shall have performed in all material respects all of its obligations under this Agreement and any other agreement, certificate or other writing delivered in connection herewith required to be performed by it on or prior to the Second Closing Date and (B) the representations and warranties of each Holder that is a member of the Entertainment Group contained in this Agreement and in any other agreement, certificate or other writing delivered in connection herewith shall be true at and as of the Second Closing Date, as if made at and as of such date;

(ii) (A) a ruling (the "Entertainment Tax Ruling") with respect to the federal income tax consequences of the transactions contemplated by Section 2.3 and the other agreements referred to herein in form and substance reasonably satisfactory to Industries (and which may be in the same ruling as the Micro Tax Ruling) shall have been received and shall not have been revoked and (B) nothing shall have come to the attention of the Board of Directors of Industries that causes them to conclude, after consideration of advice of tax counsel and all other facts and circumstances that they deem appropriate, that significant questions exist as to the validity of the Entertainment Tax Ruling as applied to the transactions contemplated hereby and the other agreements referred to herein;

(iii) all third party non-governmental consents, authorizations and approvals required in connection with the consummation of the Second Closing and the transactions contemplated by the Reorganization Agreement and the other agreements referred to herein or therein shall have been received, in each case in form and

substance reasonably satisfactory to Industries, and no such consent, authorization or approval shall have been revoked;

(iv) all receivables, payables and other liabilities (other than loans made to or by any stockholder of Industries and other than purchases and sales of goods in the ordinary course of business) owing between Industries or any of its Subsidiaries, on the one hand, and Entertainment or any of its Subsidiaries, on the other hand, shall have been settled and repaid; and

(v) the exchanges and conversions contemplated to occur on or prior to the Second Closing by the Amended and Restated Stock Option, SAR and ISU Conversion and Exchange Agreement substantially in the form attached as Exhibit D hereto shall have occurred (or shall occur concurrently with the Second Closing).

SECTION 5B.3. Conditions to Obligation of Certain Holders. The obligation of each Holder that is a member of the Entertainment Group to consummate the Second Closing is subject to the satisfaction of the following further conditions that (i) each of Industries and Entertainment shall have performed in all material respects all of its obligations under this Agreement and any other agreement, certificate or other writing delivered in connection herewith required to be performed by it at or prior to the Second Closing Date and (ii) the representations and warranties of Industries and Entertainment contained in this Agreement and in any other agreement, certificate or other writing delivered in connection herewith shall be true at and as of the Second Closing Date, as if made at and as of such date.

SECTION 5B.4. Conditions to Obligation of David B. Ingram. The obligation of David B. Ingram to consummate the Second Closing is subject to the satisfaction of the further conditions that (i) the Entertainment Tax Ruling, in form and substance reasonably satisfactory to David B. Ingram, shall have been received and shall not have been revoked and (ii) nothing shall have come to the attention of David B. Ingram that causes him to conclude, after consideration of all other facts and circumstances that he deems appropriate, that significant questions exist as to the validity of the Entertainment Tax Ruling as applied to the transactions contemplated hereby and the other agreements referred to herein.

ARTICLE 6

CERTAIN AGREEMENTS; TAX MATTERS

SECTION 6.1. Tax Representation and Covenant of the Holders. Each Holder hereby represents and warrants to each Ingram Company as of September 4, 1996, as of the First Closing Date and, if such Holder is a member of the Entertainment Group, as of the Second Closing Date, that there is no plan or intention by such Holder to sell, exchange, transfer by gift or otherwise dispose of any of such Holder's stock in any of the Ingram Companies subsequent to the Exchange. Each Holder that is a member of the Entertainment Group hereby agrees not to sell, exchange, or otherwise transfer any of such Holder's shares of Entertainment Common Stock subsequent to the Second Closing to any entity formed for the purpose of holding all of the outstanding shares of Entertainment Common Stock unless such Holder first obtains an opinion from recognized tax counsel acceptable to the Ingram Companies, or a ruling from the Internal Revenue Service, that such sale, exchange, transfer or other disposition will not affect the qualification of the transactions contemplated by this Agreement for tax-free treatment under Section 355 of the Internal Revenue Code of 1986, as amended.

SECTION 6.2. Tax Representation of the Ingram Companies. Each Ingram Company represents and warrants to each Holder as of September 4, 1996 and as of the First Closing Date that such Ingram Company has no plan or intention to liquidate, merge or consolidate with any other Person, or to sell or otherwise dispose of its assets other than in the ordinary course of business following the First Closing. Each of Industries and Entertainment further represents and warrants to each Holder as of September 4, 1996 and as of the Second Closing Date that it has no plan or intention to liquidate, merge or consolidate with any other Person, or to sell or otherwise dispose of its assets other than in the ordinary course of business following the Second Closing.

SECTION 6.3. Tax Covenant. Each Ingram Company covenants that, during the two-year period following the First Closing (and, with respect to Industries and Entertainment, during the two-year period following the Second Closing), it will not, and will not enter into any agreement to, (i) liquidate, merge or consolidate with any other Person, or sell, exchange, distribute or otherwise dispose of any material asset other than in the ordinary course of business; (ii) redeem or reacquire any of its capital stock transferred pursuant to this Agreement (except for the redemption of the stock held by an employee or by the Thrift Plan on behalf of an employee upon the employee's termination or death in accordance with the terms of (x) an applicable stock purchase agreement or a repurchase agreement referred to in Section 4.4 of the Reorganization Agreement, (y) Section 2.6 or Section 2.7(a)(ii) of the Transfer Restrictions Agreement or (z) the Thrift Plan Liquidity Agreement) or, in the case of Industries, any of the Industries common stock outstanding as of the First Closing or the Second Closing, as the case may be, that is not transferred pursuant to this Agreement (except for the redemption of the stock held by an employee upon such employee's termination or death in accordance with the terms of an applicable stock purchase agreement or a repurchase agreement referred to in Section 4.4 of the Reorganization Agreement); (iii) cease to conduct the principal active trade or business conducted by it during the five years immediately preceding the First Closing or the Second Closing, as the case may be; or (iv) otherwise take any actions inconsistent with the facts and representations set forth in the Tax Ruling; provided that such Ingram Company may take an action

inconsistent with any of the foregoing covenants if it first obtains an opinion from recognized tax counsel acceptable to the other Ingram Companies, or a ruling from the Internal Revenue Service, that such action will not affect the qualification of the transactions contemplated by this Agreement for tax-free treatment under Section 355 of the Internal Revenue Code of 1986, as amended.

SECTION 6.4. Agreements of Investment Manager. (a) The Investment Manager represents and warrants to each Holder as of September 4, 1996 that it has received written confirmation, attached hereto as Schedule 6.4, from HLH&Z that HLH&Z will deliver the opinion contemplated pursuant to Section 5A.5(ii), provided that, immediately after the First Closing (and without giving effect to any shares of Micro Common Stock to be issued in the initial public offering of Micro), the Thrift Plan will own shares of Micro Common Stock representing not less than 9.1% (as adjusted to reflect rounding and any sale of Micro Common Stock to the Chief Executive Officer of Micro) of all shares of Micro Common Stock outstanding at such time.

(b) The Investment Manager hereby agrees to cooperate with the Ingram Companies and HLH&Z in connection with obtaining the opinion from HLH&Z referred to in Section 5A.5(ii). The Investment Manager hereby further agrees to deliver the written direction to the trustees of the Thrift Plan referred to in Section 2.2(b)(i) and 5A.5(iii) promptly following receipt of such HLH&Z opinion.

(c) The Investment Manager hereby agrees (i) to deliver to the trustees of the Thrift Plan the written direction contemplated pursuant to Section 2.2(b)(i), provided that the applicable conditions to the obligation of the Thrift Plan set forth in Article 5A are satisfied or waived and (ii) to direct the trustees of the Thrift Plan to enter into the Exchange Agreement on behalf of the Thrift Plan.

SECTION 6.5. True-Up. (a) (i) Subject to Section 6.5(b), each Ingram Company hereby agrees that, at or immediately prior to the First Closing, the Adjustment Amount (as defined below) shall be allocated 23.01% to Industries, 72.84% to Micro and 4.15% to Entertainment. Such allocation shall be made through appropriate adjustments effected by way of dividends or capital contributions to balance (A) the actual amount which each of Industries, Micro and Entertainment and their respective Subsidiaries have contributed to the Adjustment Amount with (B) the respective share of the Adjustment Amount to be allocated to each of them pursuant to the foregoing sentence. As used herein, "Adjustment Amount" shall mean the sum of (i) consolidated net income as reported in Industries' unaudited interim financial statements for the period (the "Initial Adjustment Period") commencing January 1, 1996 and ending (x) on the last day of the full accounting month ended immediately prior to the First Closing Date (if the First Closing Date occurs later than the 15th day of the month) or (y) the last day of the second full accounting month ended prior to the First Closing Date (if the First Closing Date occurs on or prior to the 15th day of the month) and (ii) the consolidated net income of Industries, as projected by Industries, for the period commencing on the first day following the end of the Initial Adjustment Period and ending on the last day of the fiscal year, assuming for purposes of this clause (ii) that the First Closing does not occur during such fiscal year; provided that the Adjustment Amount shall be determined without giving effect to (a) any net income or losses related to IMS or IPSI (each, as defined in the Reorganization Agreement), (b) the after-tax effect of the Industries LIFO provision for such period, (c) any accrual for expenses related to the transactions contemplated hereby, by the Related Agreements, by the Reorganization Agreement or by the Ancillary Agreements (as defined in the Reorganization Agreement), (d) any non-cash charges related to Micro's stock option plans or (e) any expenses referred to in Section 7.12 of this Agreement; provided further that the Adjustment Amount shall be increased or decreased by such other amounts as the Ingram Companies may agree.

(ii) Subject to Section 6.5(b), each of Industries and Entertainment hereby agree that, at or prior to the Second Closing, the Adjustment Amount shall be recalculated; provided that for purposes of such recalculation, the consolidated net income of Industries for the period commencing on the first day following the end of the Initial Adjustment Period and ending on the last day of the fiscal year during which the First Closing occurred shall be based on the actual net income of Industries and its Subsidiaries and Entertainment and its Subsidiaries during such period (with the net income of Micro and its Subsidiaries continuing to be as projected in Section 6.5(a)). Such recalculation shall continue to assume that the First Closing did not occur during such fiscal year. Following such recalculation, appropriate adjustments shall be made between Industries and Entertainment in the manner described in Section 6.5(a)(i) such that, after taking into account any adjustments made at or immediately prior to the First Closing pursuant to Section 6.5(a)(i), the recalculated Adjustment Amount shall (to the extent possible) be allocated 23.01% to Industries and 4.15% to Entertainment.

(b) Notwithstanding anything herein to the contrary, the parties agree that, in consideration of distributions to Industries previously made by Micro and Entertainment, no costs and expenses shall be allocated to, and no liabilities or obligations shall be assumed or borne by, Micro or Entertainment pursuant to Section 6.5(a) or Section 7.12 of this Agreement or pursuant to Article 3 of the Reorganization Agreement, until the aggregate of such costs, expenses, liabilities and obligations shall exceed $20,778,000, in the case of Micro, or $1,160,000, in the case of Entertainment, in which event such allocation or assumption shall be made only to the extent of such excess. To the extent that the aggregate of such costs, expenses, liabilities and obligations is less than $20,778,000 in the case of Micro, or $1,160,000 in the case of Entertainment, Industries shall make a payment in the amount of such difference to Micro or Entertainment, as the case may be.

SECTION 6.6. Termination of Stock Purchase Agreement Obligations. Industries and each Holder who is a party to a stock purchase

agreement with Industries hereby acknowledges that all obligations of the other party to such stock purchase agreement will cease with respect to all shares of Industries common stock of such Holder that are exchanged for shares of Micro Common Stock or Entertainment Common Stock pursuant to this Agreement. Such cessation shall be effective at the First Closing with respect to shares of Industries common stock exchanged for Micro Common Stock and at the Second Closing with respect to shares of Industries common stock exchanged for Entertainment Common Stock.

SECTION 6.7. Cooperation. Each Holder agrees to cooperate with Micro in connection with the initial registered public offering of shares of Micro Common Stock. Without limiting the generality of the foregoing, each Holder agrees to execute and deliver such documents, certificates, agreements and other writings (including without limitation any lock-up agreement requested by the underwriters) and to take such other actions requested by Micro in connection with the consummation of such initial public offering.

SECTION 6.8. Issuance of Entertainment Common Stock. The parties hereto agree that if a stock option of Industries is exercised by a Person listed on Annex I as being a member of the Entertainment Group after the First Closing Date and prior to the Option Record Date, Industries shall subscribe for, and shall cause Entertainment to issue, 3.68 shares of Entertainment Common Stock for each option to purchase one share of Industries Common Stock that is so exercised (which aggregate number of shares of Entertainment Common Stock issued in respect of the exercise of stock options by any such member of the Entertainment Group shall be rounded up to the nearest whole share). In consideration for such issuance, Industries shall make a capital contribution to Entertainment in an amount equal to the sum of (i) the aggregate exercise price received by Industries in connection with any such exercise and (ii) the estimated tax benefit to be realized by Industries as a result of any such exercise of nonqualified options.

ARTICLE 7

MISCELLANEOUS

SECTION 7.1. Headings. The headings in this Agreement are for convenience of reference only and shall not control or affect the meaning or construction of any provision hereof.

SECTION 7.2. Entire Agreement. This Agreement, the Board Representation Agreement, the Related Agreements, the Reorganization Agreement and the Ancillary Agreements (as defined in the Reorganization Agreement) constitute the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein. This Agreement and such other agreements supersede all prior agreements and understandings between the parties hereto and thereto with respect to the subject matter hereof and thereof.

SECTION 7.3. Notices. Any notice, request, instruction or other document to be given hereunder by any party hereto to another party hereto shall be in writing (including telecopier or similar writing) and shall be given to such party at its address set forth on the signature pages hereof, or to such other address as the party to whom notice is to be given may provide in a written notice to the party giving such notice, a copy of which written notice shall be on file with the Secretary of Industries. If notice is given pursuant to this Section of a permitted successor or assign of a party to this Agreement, then notice shall thereafter be given as set forth above to such successor or assign of such party to this Agreement. Each such notice, request or other communication shall be effective (i) if given by telecopy, when such telecopy is transmitted to the telecopy number specified on the signature pages hereof and electronic or oral confirmation of receipt is received, (ii) if given by mail, at the close of business on the third business day after such communication is deposited in the mails with first class postage prepaid addressed as aforesaid or (iii) if given by any other means, when delivered at the address specified in this Section 7.3.

SECTION 7.4. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee without regard to the conflicts of law rules of such state.

SECTION 7.5. Severability. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of this Agreement, including any such provision, in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

SECTION 7.6. Termination. (a) This Agreement may be terminated in its entirety at any time prior to the First Closing at the election of Industries or the holders of a majority of the outstanding shares of Industries Common Stock for any reason or for no reason without any liability to any Person.

(b) This Agreement may be terminated with respect to the transactions contemplated to take place at the Second Closing at any time prior to the Second Closing at the election of Industries or the holders of a majority of the outstanding shares of Industries Common Stock or David B. Ingram for any reason or for no reason without any liability to any Person. This Agreement shall terminate with respect to the transactions contemplated to take place at the Second Closing if the Second Closing does not occur prior to December 31, 1997.

SECTION 7.7. Successors, Assigns, Transferees. No Holder or Ingram Company may assign or otherwise transfer any of its rights under

this Agreement without the consent of each Ingram Company. This Agreement is binding upon the parties to this Agreement and their respective legal representatives, heirs, devisees, legatees, beneficiaries and successors and permitted assigns and inures to the benefit of the parties to this Agreement and their respective permitted legal representatives, heirs, devisees, legatees, beneficiaries and other permitted successors and assigns, if any. Neither this Agreement nor any provision hereof shall be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement, those who agree to be bound hereby and their respective permitted legal representatives, heirs, devisees, legatees, beneficiaries and other permitted successors and assigns. References to a party to this Agreement are also references to any permitted successor or assign of such party and, when appropriate to effect the binding nature of this Agreement for the benefit of another party, any other successor or assign of a party.

SECTION 7.8. Amendments; Waivers. (a) No failure or delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

(b) Neither this Agreement nor any term or provision hereof may be amended or waived except by an instrument in writing:

(i) signed by (x) each of the Family Stockholders, (y) each Ingram Company, following approval of such amendment or waiver by the Board of Directors of such Ingram Company and (z) the Thrift Plan; provided that the Thrift Plan is materially adversely affected by such amendment or waiver; and

(ii) approved by the Holders that are members of each Group which is materially adversely affected by such amendment or waiver (an "Affected Group"); provided that the approval referred to in this clause (ii) shall be deemed to have been received with respect to any Affected Group (A) if Industries has not received written notice of disapproval within ten business days after effective delivery of the proposed amendment or waiver signed by (x) the Holders of at least 66% of the shares of Industries Common Stock (other than shares held by the Family Stockholders and the Thrift Plan) held by all members of such Affected Group (other than the Family Stockholders and the Thrift Plan) and (y) at least 66% of the members (other than the Family Stockholders and the Thrift Plan) of each such Affected Group (the Persons referred to in clause (x) and (y) above are hereinafter referred to as the "Required Holders"), or (B) if the amendment or waiver is signed by the Holders of more than 33% of the shares of Industries Common Stock (other than shares held by the Family Stockholders and the Thrift Plan) held by the members of such Affected Group or by more than 33% of the members (other than the Family Stockholders or the Thrift Plan) of such Affected Group; provided further that for purposes of this clause (ii), the Micro Group shall be divided into two Groups, the first of which shall include the E. Bronson Ingram 1995 Charitable Remainder 5% Unitrust, the Martha and Bronson Ingram Foundation, the E. Bronson Ingram 1994 Charitable Lead Annuity Trust (collectively, the "Charitable Trusts and Foundation") and the QTIP, and the second of which shall include all other members of the Micro Group (other than the Family Stockholders and the Thrift Plan).

(c) Industries shall deliver prompt written notice to each other party hereto of any amendment or waiver to this Agreement approved pursuant to this Section.

(d) Any Holder (other than an Ingram Stockholder, the QTIP, the Charitable Trusts and Foundation or the Thrift Plan) who is materially adversely affected by an amendment approved pursuant to this Section and who did not execute such amendment pursuant to clause (b) above shall have the right to withdraw as a party to this Agreement by written notice to Industries delivered within 10 days following receipt of the notice described in clause (c) above, in which event such Holder shall not participate in the Exchange and shall retain its shares of Industries Common Stock.

SECTION 7.9. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 7.10. Remedies. The parties hereby acknowledge and agree that in the event of any breach of this Agreement, the parties would be irreparably harmed and could not be made whole by monetary damages. Each party hereto accordingly agrees (i) not to assert by way of defense or otherwise that a remedy at law would be adequate, and (ii) in addition to any other remedy to which the parties may be entitled, that the remedy of specific performance of this Agreement is appropriate in any action in court.

SECTION 7.11. Consent to Jurisdiction. Each party hereto irrevocably submits to the non-exclusive jurisdiction of any Tennessee State Court or United States Federal Court sitting in the Middle District of Tennessee over any suit, action or proceeding arising out of or relating to this Agreement. Each party hereto (other than any Ingram Company) hereby irrevocably appoints CT Corporation System as its authorized agent to accept and acknowledge on its behalf service of any and all process which may be served in any such suit, action or proceeding in any such court and represents and warrants that such agent has accepted such appointment. Each party hereto consents to process being served in any such suit, action or proceeding by serving a copy thereof upon the agent for service of process, provided that to

the extent lawful and possible, written notice of such service shall also be mailed to such party. Each party hereto waives any right it may have to assert the doctrine of forum non conveniens or to object to venue to the extent any proceeding is brought in accordance with this Section 7.11. Nothing in this paragraph shall affect or limit any right to serve process in any manner permitted by law, to bring proceedings in the courts of any jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

SECTION 7.12. Expenses. (a) Subject to Section 6.5(b), all costs and expenses of the Ingram Companies (i) incurred as a result of services provided by third parties in connection with the preparation of this Agreement, the Reorganization Agreement, the Ancillary Agreements (as defined in the Reorganization Agreement) and the Related Agreements and the consummation of the transactions contemplated hereby and thereby (including without limitation (x) rating agency fees incurred in connection with the refinancings referred to in Section 5.2(vi), (y) expenses incurred in connection with the Tax Ruling and (z) fees charged by software vendors in connection with the transfer or replacement (but not enhancement), directly as a result of the consummation of the transactions contemplated hereby, of software packages currently used by the Ingram Companies and related equipment costs) and (ii) incurred by the party providing services pursuant to the Ancillary Agreements as a result of the cessation of such services, shall be borne 23.01% by Industries, 72.84% by Micro and 4.15% by Entertainment, except as otherwise specifically provided in this Agreement, the Reorganization Agreement, any Ancillary Agreement or any Related Agreement; provided that (A) to the extent that any of the costs and expenses referred to in clause (i) or (ii) above are incurred as a result of arrangements pertaining solely to the transactions contemplated by the Second Closing, and to the extent that Micro did not participate in the negotiation of such arrangements, such costs and expenses shall be borne 84.72% by Industries and 15.28% by Entertainment, (B) all costs and expenses incurred in connection with the initial public offering of Micro and the adoption and grant of awards under the 1996 Equity Incentive Plan and 1996 Key Employee Stock Purchase Plan of Micro shall be borne by Micro and (C) rating agency fees incurred in connection with all financings (other than those referred to in Section 5.2(vi)) shall be borne by the party undertaking such financing.

(b) All costs and expenses incurred by the parties to this Agreement (other than the Ingram Companies) in connection with the preparation of this Agreement, the Reorganization Agreement, the Ancillary Agreements and the Related Agreements and the consummation of the transactions contemplated hereby and thereby shall be borne by the party incurring such costs and expenses, except as otherwise specifically provided herein or therein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INGRAM INDUSTRIES INC.

By: /s/ John B. Ingram

Name: John B. Ingram
Title: Co-President
Address: One Belle Meade Place
4400 Harding Road
Nashville, TN 37205
Telecopy: (615) 298-8242

INGRAM MICRO INC.

By: /s/ Jeffrey R. Rodek

Name: Jeffrey R. Rodek
Title: President
Address: 1600 East Saint Andrew Place
Santa Ana, CA 92705
Telecopy: 714-566-7900

INGRAM ENTERTAINMENT INC.

By: /s/ David B. Ingram

Name: David B. Ingram
Title: Chairman and President
Address: Two Ingram Blvd.
La Vergne, TN 37086
Telecopy: 615-287-4985

STATE STREET BANK & TRUST COMPANY

By:_____
Name: Kelly Q. Driscoll
Title: Vice President
Address: Batterymarch Park III
3 Pinehill Drive
Quincy, MA 02169
Telecopy: 617-376-7313

HOLDERS

E. BRONSON INGRAM
Q-TIP MARITAL TRUST

By: MARTHA R. INGRAM, ORRIN H. INGRAM,
JOHN R. INGRAM, DAVID B. INGRAM AND
ROBIN I. PATTON, as Co-Trustees

By:_____
Name: Martha R. Ingram
Title: Co-Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

By:_____
Name: Orrin H. Ingram
Title: Co-Trustee
Address: 1475 Moran Road
Franklin, TN 37069

By:_____
Name: John R. Ingram
Title: Co-Trustee
Address: 311 Jackson Boulevard
Nashville, TN 37205

By:_____
Name: David B. Ingram
Title: Co-Trustee
Address: 4417 Tyne Boulevard
Nashville, TN 37215

By:_____
Name: Robin I. Patton
Title: Co-Trustee
Address: 1600 Chickering Road
Nashville, TN 37215

E. BRONSON INGRAM 1995 CHARITABLE
REMAINDER 5% UNITRUST

By: MARTHA R. INGRAM, as Trustee

By:_____
Name: Martha R. Ingram
Title: Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

MARTHA AND BRONSON INGRAM FOUNDATION

By:_____
Name: John R. Ingram
Title: President
Address: c/o Ingram Industries Inc.
4440 Harding Road
Nashville, TN 37205
(615) 298-8200

E. BRONSON INGRAM 1994
CHARITABLE LEAD ANNUITY TRUST

By: ORRIN H. INGRAM, JOHN R. INGRAM,
DAVID B. INGRAM, AND ROBIN B.
INGRAM PATTON, as Co-Trustees

By:_____
Name: Orrin H. Ingram
Title: Co-Trustee
Address: 1475 Moran Road
Franklin, TN 37069

By:_____
Name: John R. Ingram
Title: Co-Trustee
Address: 311 Jackson Boulevard
Nashville, TN 37205

By:_____
Name: David B. Ingram
Title: Co-Trustee
Address: 4417 Tyne Boulevard

Nashville, TN 37215

By:_____
Name: Robin B. Ingram Patton
Title: Co-Trustee
Address: 1600 Chickering Road
Nashville, TN 37215

INGRAM THRIFT PLAN

By: W.M. HEAD, R.E. CLAVERIE
AND T.H. LUNN, as Co-Trustees

By:_____
Name: William M. Head
Title: Co-Trustee
Address: 1229 Nichol Lane
Nashville, TN 37205

By:_____
Name: R.E. Claverie
Title: Co-Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

By:_____
Name: T.H. Lunn
Title: Co-Trustee
Address: 509 Sugartree Lane
Franklin, TN 37064

_____
Linwood A. Lacy, Jr.
2304 Cranborne Road
Midlothian, VA 23113

LINWOOD A. LACY, JR.
1996 IRREVOCABLE TRUST DATED
MARCH 24, 1996

By: NATIONSBANK, N.A, as Trustee

By:_____
Name:
Title:
Address: NationsBank, N.A.
Attention: Phil Rudder,
Vice President
12th and Main, 12th Floor
Richmond, VA 23261

_____ _____
Spouse David W. Rutledge
34 Deerwood East
Irvine, CA 92714

_____ _____
Spouse Ronald K. Hardaway
2 Moss Glen
Irvine, CA 92715

_____
Victoria L. Cotten
8 Medici
Aliso Viejo, CA 92656

_____
David B. Ingram
4417 Tyne Boulevard
Nashville, TN 37215

DAVID AND SARAH INGRAM
FAMILY 1996 GENERATION SKIPPING TRUST

By: THOMAS H. LUNN, as Trustee

By:_____

Name: Thomas H. Lunn
Title: 509 Sugartree Lane
Address: Franklin, TN 37064

TRUST FOR THE BENEFIT OF
DAVID BRONSON INGRAM,

DATED OCTOBER 27, 1967

By: TRUST COMPANY BANK,
as Successor Trustee

By:_____
Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

TRUST FOR THE BENEFIT OF
DAVID BRONSON INGRAM,

DATED JUNE 14, 1968

By: TRUST COMPANY BANK,
as Successor Trustee

By:_____
Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

TRUST FOR THE BENEFIT OF
DAVID B. INGRAM, DATED DECEMBER 22, 1975

By: TRUST COMPANY BANK,
as Successor Trustee

By:_____
Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

DAVID B. INGRAM IRREVOCABLE TRUST
DATED AUGUST 16, 1988

By: ROY E. CLAVERIE, as Trustee

By:_____
Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

1994 DAVID BRONSON INGRAM TRUST

By: ROY E. CLAVERIE, as Trustee

By:_____
Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

_____
Thomas H. Lunn
509 Sugartree Lane
Franklin, TN 37064

LUNN FAMILY PARTNERS, L.P.

By: LUNN INVESTMENT COMPANY,
as General Partner

By:_____
Name: Thomas H. Lunn
Title: President
Address: 509 Sugartree Lane
Franklin, TN 37064

_____
Philip M. Pfeffer
836 Treemont Court
Nashville, TN 37220

PFEFFER FAMILY PARTNERS, L.P.

By:
as General Partner

By:_____
Name:
Title:
Address: 836 Treemont Court
Nashville, TN 37220

TRUST AGREEMENT OF JUNE 11, 1987
BETWEEN BRONSON AND MARTHA INGRAM,
GRANTORS, AND EDWARD G. NELSON,
TRUSTEE FOR THE BENEFIT OF
JOHN-LINDELL PHILIP PFEFFER

By: EDWARD G. NELSON, as Trustee

By:_____
Name: Edward G. Nelson
Title: Trustee
Address: Nelson Capital Corp.
3401 West End Avenue
Nashville, TN 37203

_____
John-Lindell Philip Pfeffer
Rue General Potton, 29
1050 Brussels
Belgium

TRUST AGREEMENT OF JUNE 11, 1987
BETWEEN BRONSON AND MARTHA INGRAM,
GRANTORS, AND EDWARD G. NELSON, TRUSTEE
FOR THE BENEFIT OF DAVID MAURICE PFEFFER

By: EDWARD G. NELSON, as Trustee

By:_____
Name: Edward G. Nelson
Title: Trustee
Address: Nelson Capital Corp.
3401 West End Avenue
Nashville, TN 37203

TRUST AGREEMENT OF JUNE 11, 1987
BETWEEN BRONSON AND MARTHA INGRAM,
GRANTORS, AND EDWARD G. NELSON,
TRUSTEE FOR THE BENEFIT OF
JAMES HOWARD PFEFFER

By: EDWARD G. NELSON, as Trustee

By:_____
Name: Edward G. Nelson
Title: Trustee
Address: Nelson Capital Corp.
3401 West End Avenue
Nashville, TN 37203

_____
Roy E. Claverie

6107 Hickory Valley Road
Nashville, TN 37205

ROY E. CLAVERIE, JR.
1996 VESTED TRUST

By: WILLIAM S. JONES, as Trustee

By:_____
Name: William S. Jones
Title: Trustee
Address: 6015 Wellesley Way
Brentwood, TN 37027

ROY E. CLAVERIE, JR.
1996 GENERATION SKIPPING TRUST

By: WILLIAM S. JONES, as Trustee

By:_____
Name: William S. Jones
Title: Trustee
Address: 6015 Wellesley Way
Brentwood, TN 37027

KEITH J. CLAVERIE, JR.
1996 VESTED TRUST

By: WILLIAM S. JONES, as Trustee

By:_____
Name: William S. Jones
Title: Trustee
Address: 6015 Wellesley Way
Brentwood, TN 37027

KEITH J. CLAVERIE, JR.
1996 GENERATION SKIPPING TRUST

By: WILLIAM S. JONES, as Trustee

By:_____
Name: William S. Jones
Title: Trustee
Address: 6015 Wellesley Way
Brentwood, TN 37027

TRUST AGREEMENT OF JUNE 11, 1987
BETWEEN BRONSON AND MARTHA INGRAM,
GRANTORS, AND EDWARD G. NELSON,
TRUSTEE FOR THE BENEFIT OF
KEITH JOSEPH CLAVERIE

By: EDWARD G. NELSON, as Trustee

By:_____
Name: Edward G. Nelson
Title: Trustee
Address: Nelson Capital Corp.
3401 West End Avenue
Nashville, TN 37203

TRUST AGREEMENT OF JUNE 11, 1987
BETWEEN BRONSON AND MARTHA INGRAM,
GRANTORS, AND EDWARD G. NELSON,
TRUSTEE FOR THE BENEFIT OF
ROY EDWARD CLAVERIE, JR.

By: EDWARD G. NELSON, as Trustee

By:_____
Name: Edward G. Nelson
Title: Trustee
Address: Nelson Capital Corp.
3401 West End Avenue
Nashville, TN 37203

_____
Roy E. Claverie, Jr.
6107 Hickory Valley Road

Nashville, TN 37205

_____

David F. Sampsell
420 Welshwood #47
Nashville, TN 37211

_____

Steven J. Mason
1318 Chickering Road
Nashville, TN 37215

THE DAVID C. MASON
1996 GENERATION SKIPPING TRUST

By: LINDA L. MASON AND
MICHAEL G. MASON, as Co-Trustees

By:_____
Name: Linda L. Mason
Title: Co-Trustee
Address: 1318 Chickering Road
Nashville, TN 37215

By:_____
Name: Michael G. Mason
Title: Co-Trustee
Address: 1318 Chickering Road
Nashville, TN 37215

THE MICHAEL G. MASON
1996 GENERATION SKIPPING TRUST

By: LINDA L. MASON AND
STEVEN J. MASON, JR., as Co-Trustees

By:_____
Name: Linda L. Mason
Title: Co-Trustee
Address: 1318 Chickering Road
Nashville, TN 37215

By:_____
Name: Steven J. Mason, Jr.
Title: Co-Trustee
Address: 1318 Chickering Road
Nashville, TN 37215

THE STEVEN J. MASON, JR.
1996 GENERATION SKIPPING TRUST

By: LINDA L. MASON AND DAVID C. MASON,
as Co-Trustees

By:_____
Name: Linda L. Mason
Title: Co-Trustee
Address: 1318 Chickering Road
Nashville, TN 37215

By:_____
Name: David C. Mason
Title: Co-Trustee
Address: 1318 Chickering Road
Nashville, TN 37215

_____

Neil N. Diehl
6 Castle Rising
Nashville, TN 37215

_____

W. Michael Head
1229 Nichol Lane
Nashville, TN 37205

_____

David L. Hettinger
5010 Woodland Hills Drive
Nashville, TN 37211

_____

Lavona G. Russell
9549 Butler Drive
Brentwood, TN 37027

_____

Michael F. Lovett
1013 Beech Grove Road
Brentwood, TN 37027

_____

William S. Jones
6015 Wellesley Way
Brentwood, TN 37027

_____

James F. Neal
c/o Neal & Harwell
2000 One Nashville Place
150 Fourth Avenue, North
Nashville, TN 37219

_____

Martha R. Ingram
120 Hillwood Drive
Nashville, TN 37215

_____

Orrin H. Ingram, II
1475 Moran Road
Franklin, TN 37069

TRUST FOR THE BENEFIT OF ORRIN HENRY INGRAM, II, DATED

OCTOBER 27, 1967

By: TRUST COMPANY BANK,
as Successor Trustee

By:_____
Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

TRUST FOR THE BENEFIT OF ORRIN HENRY INGRAM, II, DATED JUNE 14, 1968

By: TRUST COMPANY BANK,
as Successor Trustee

By:_____
Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

TRUST FOR THE BENEFIT OF ORRIN H. INGRAM, II, DATED DECEMBER 22, 1975

By: TRUST COMPANY BANK,
as Successor Trustee

By:_____

Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

ORRIN H. INGRAM IRREVOCABLE
TRUST DATED AUGUST 16, 1988

By: ROY E. CLAVERIE, as
Trustee

By:_____
Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

1994 ORRIN HENRY INGRAM TRUST

By: ROY E. CLAVERIE, as Trustee

By:_____
Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

_____
John R. Ingram
311 Jackson Boulevard
Nashville, TN 37205

THE JOHN AND STEPHANIE INGRAM
FAMILY 1996 GENERATION SKIPPING TRUST

By: WILLIAM S. JONES, as Trustee

By:_____
Name: William S. Jones
Title: Trustee
Address: 6015 Wellesley Way
Brentwood, TN 37027

TRUST FOR THE BENEFIT OF JOHN
RIVERS INGRAM, DATED OCTOBER 27, 1967

By: TRUST COMPANY BANK,
as Successor Trustee

By:_____
Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

TRUST FOR THE BENEFIT OF JOHN RIVERS
INGRAM, DATED JUNE 14, 1968

By: TRUST COMPANY BANK,
as Successor Trustee

By:_____
Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

TRUST FOR THE BENEFIT OF JOHN R.
INGRAM, DATED DECEMBER 22, 1975

By: TRUST COMPANY BANK,
as Successor Trustee

By:_____
Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

JOHN R. INGRAM IRREVOCABLE TRUST
DATED AUGUST 16, 1988

By: ROY E. CLAVERIE, as Trustee

By:_____
Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

1994 JOHN RIVERS INGRAM TRUST

By: ROY E. CLAVERIE, as Trustee

By:_____
Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

_____
Robin B. Ingram Patton
1600 Chickering Road
Nashville, TN 37215

TRUST FOR THE BENEFIT OF ROBIN
INGRAM, DATED OCTOBER 27, 1967

By: TRUST COMPANY BANK,
as Successor Trustee

By:_____
Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

TRUST FOR THE BENEFIT OF ROBIN
BIGELOW INGRAM, DATED JUNE 14, 1968

By: TRUST COMPANY BANK,
as Successor Trustee

By:_____
Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

TRUST FOR THE BENEFIT OF
ROBIN B. INGRAM, DATED DECEMBER 22, 1975

By: TRUST COMPANY BANK,
as Successor Trustee

By:_____
Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank

Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

ROBIN B. INGRAM IRREVOCABLE
TRUST DATED AUGUST 16, 1988

By: ROY E. CLAVERIE, as Trustee

By:_____
Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

1994 ROBIN INGRAM PATTON TRUST

By ROY E. CLAVERIE, as Trustee

By:_____
Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

_____
Pankaj B. Shah
1201 Parker Place
Brentwood, TN 37027-7002

_____
S. Ray Taylor
3280 Central Valley Road
Murfreesboro, TN 37219

_____
Jacob S. Sherman
215 Lauderdale Road
Nashville, TN 37205

_____
Susan R. Flaster
144 September Drive
La Vergne, TN 37086

Exhibit 23.01

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in this Prospectus constituting part of this Registration Statement on Form S-1 (333-_____) of our report dated February 29, 1996, except as to Note 12 which is dated as of September 9, 1996 and Note 2 which is dated as of October 29, 1996, relating to the financial statements of Ingram Micro Inc., which appears in such Prospectus. We also consent to the application of such report to the Financial Statement Schedules for the three years ended December 30, 1995 listed under Item 16(b) of this Registration Statement when such schedules are read in conjunction with the financial statements referred to in our report. The audits referred to in such report also included these schedules. We also consent to the reference to us under the heading "Experts" in such Prospectus.

PRICE WATERHOUSE LLP

Nashville, Tennessee
November 20, 1996