



**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

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

**For the quarterly period ended July 3, 2004**

**OR**

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

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission file number: 1-12203**

**Ingram Micro Inc.**

(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**62-1644402**  
(I.R.S. Employer  
Identification No.)

**1600 E. St. Andrew Place, Santa Ana, California 92705-4931**  
(Address, including zip code, of principal executive offices)

**(714) 566-1000**  
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The Registrant had 155,505,699 shares of Class A Common Stock, par value \$0.01 per share, outstanding at July 3, 2004.

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**INGRAM MICRO INC.**

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# Part I. Financial Information

## Item 1. Financial Statements

### INGRAM MICRO INC. CONSOLIDATED BALANCE SHEET (Dollars in 000's, except per share data)

	July 3, 2004	January 3, 2004
	(Unaudited)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 695,406	\$ 279,587
Accounts receivable:		
Trade receivables	1,588,144	1,955,979
Retained interest in securitized receivables	500,561	499,923
Total accounts receivable (less allowances of \$85,031 and \$91,613)	2,088,705	2,455,902
Inventories	1,514,573	1,915,403
Other current assets	314,811	317,201
Total current assets	4,613,495	4,968,093
Property and equipment, net	191,126	210,722
Goodwill	244,659	244,174
Other	48,229	51,173
Total assets	<u>\$5,097,509</u>	<u>\$5,474,162</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$2,357,815	\$2,821,518
Accrued expenses	414,810	390,244
Current maturities of long-term debt	112,486	128,346
Total current liabilities	2,885,111	3,340,108
Long-term debt, less current maturities	215,368	239,909
Deferred income taxes and other liabilities	32,582	21,196
Total liabilities	<u>3,133,061</u>	<u>3,601,213</u>
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Preferred Stock, \$0.01 par value, 25,000,000 shares authorized; no shares issued and outstanding	—	—
Class A Common Stock, \$0.01 par value, 500,000,000 shares authorized; 155,505,699 and 151,963,667 shares issued and outstanding	1,555	1,520
Class B Common Stock, \$0.01 par value, 135,000,000 shares authorized; no shares issued and outstanding	—	—
Additional paid-in capital	770,255	720,810
Retained earnings	1,165,377	1,101,954
Accumulated other comprehensive income	27,571	48,812
Unearned compensation	(310)	(147)
Total stockholders' equity	<u>1,964,448</u>	<u>1,872,949</u>
Total liabilities and stockholders' equity	<u>\$5,097,509</u>	<u>\$5,474,162</u>

See accompanying notes to these consolidated financial statements.

**INGRAM MICRO INC.**  
**CONSOLIDATED STATEMENT OF INCOME**  
(Dollars in 000's, except per share data)  
(Unaudited)

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	July 3, 2004	June 28, 2003	July 3, 2004	June 28, 2003
Net sales	\$5,716,619	\$5,170,635	\$11,992,259	\$10,644,849
Cost of sales	5,405,145	4,889,240	11,339,331	10,067,222
Gross profit	311,474	281,395	652,928	577,627
Operating expenses:				
Selling, general and administrative	263,519	252,781	538,278	509,983
Reorganization costs	71	1,292	196	13,231
	263,590	254,073	538,474	523,214
Income from operations	47,884	27,322	114,454	54,413
Other expense (income):				
Interest income	(1,956)	(2,697)	(3,708)	(5,634)
Interest expense	8,304	9,149	18,206	16,068
Losses on sales of receivables	1,089	2,368	2,948	6,685
Net foreign currency exchange loss	1,479	512	2,338	2,375
Other	926	289	1,400	1,729
	9,842	9,621	21,184	21,223
Income before income taxes	38,042	17,701	93,270	33,190
Provision for income taxes	12,174	6,195	29,847	11,616
Net income	\$ 25,868	\$ 11,506	\$ 63,423	\$ 21,574
Basic earnings per share	\$ 0.17	\$ 0.08	\$ 0.41	\$ 0.14
Diluted earnings per share	\$ 0.16	\$ 0.08	\$ 0.40	\$ 0.14

See accompanying notes to these consolidated financial statements.

**INGRAM MICRO INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
(Dollars in 000's)  
(Unaudited)

	Twenty-six Weeks Ended	
	July 3, 2004	June 28, 2003
<b>Cash flows from operating activities:</b>		
Net income	\$ 63,423	\$ 21,574
Adjustments to reconcile net income to cash provided (used) by operating activities:		
Depreciation	28,884	42,712
Noncash charges for losses on disposals of property and equipment	—	4,675
Noncash charges for interest and compensation	2,150	1,883
Deferred income taxes	9,840	17,913
Loss on sale of a business	—	5,067
Changes in operating assets and liabilities, net of effects of acquisitions:		
Changes in amounts sold under accounts receivable programs	10,000	(3,000)
Accounts receivable	324,304	478,257
Inventories	384,872	211,298
Other current assets	(8,604)	(5,788)
Accounts payable	(365,243)	(605,029)
Accrued expenses	36,387	(188,554)
Cash provided (used) by operating activities	486,013	(18,992)
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(13,193)	(17,938)
Acquisitions, net of cash acquired	(1,078)	(9,416)
Other	505	1,542
Cash used by investing activities	(13,766)	(25,812)
<b>Cash flows from financing activities:</b>		
Proceeds from exercise of stock options	42,677	1,412
Change in book overdrafts	(75,015)	(46,971)
Net proceeds from (repayment of) debt	(24,476)	68,784
Cash provided (used) by financing activities	(56,814)	23,225
Effect of exchange rate changes on cash and cash equivalents	386	5,390
Increase (decrease) in cash and cash equivalents	415,819	(16,189)
Cash and cash equivalents, beginning of period	279,587	387,513
Cash and cash equivalents, end of period	<u>\$ 695,406</u>	<u>\$ 371,324</u>

See accompanying notes to these consolidated financial statements.

**INGRAM MICRO INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Dollars in 000's, except per share data)  
(Unaudited)

**Note 1 — Organization and Basis of Presentation**

Ingram Micro Inc. ("Ingram Micro") and its subsidiaries are primarily engaged in the distribution of information technology ("IT") products and supply chain management services worldwide. Ingram Micro operates in North America, Europe, Asia-Pacific and Latin America.

The consolidated financial statements include the accounts of Ingram Micro and its subsidiaries (collectively referred to herein as the "Company"). These financial statements have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). In the opinion of management, the accompanying unaudited consolidated financial statements contain all material adjustments (consisting of only normal, recurring adjustments) necessary to fairly state the financial position of the Company as of July 3, 2004, and its results of operations for the thirteen and twenty-six weeks ended July 3, 2004 and June 28, 2003, and cash flows for the twenty-six weeks ended July 3, 2004 and June 28, 2003. All significant intercompany accounts and transactions have been eliminated in consolidation. As permitted under the applicable rules and regulations of the SEC, these financial statements do not include all disclosures and footnotes normally included with annual consolidated financial statements and, accordingly, should be read in conjunction with the consolidated financial statements and the notes thereto, included in the Company's Annual Report on Form 10-K filed with the SEC for the year ended January 3, 2004. The results of operations for the thirteen and twenty-six weeks ended July 3, 2004 may not be indicative of the results of operations that can be expected for the full year.

Due to the significance of the Company's Asia-Pacific region's net sales in 2003, the Company began reporting its Asia-Pacific and Latin America operations as separate segments in the Company's 2003 Annual Report on Form 10-K. Previously, the Asia-Pacific and Latin America regions were combined and reported as its "Other International" segment. Prior year amounts have been disclosed to conform to the current segment reporting structure.

Certain prior year amounts have been reclassified to conform to the current year presentation.

**Note 2 — Earnings Per Share**

The Company reports a dual presentation of Basic Earnings per Share ("Basic EPS") and Diluted Earnings per Share ("Diluted EPS"). Basic EPS excludes dilution and is computed by dividing net income by the weighted average number of common shares outstanding during the reported period. Diluted EPS reflects the potential dilution that could occur if stock options, warrants, and other commitments to issue common stock were exercised using the treasury stock method or the if-converted method, where applicable.

The computation of Basic EPS and Diluted EPS is as follows:

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	July 3, 2004	June 28, 2003	July 3, 2004	June 28, 2003
Net income	\$ 25,868	\$ 11,506	\$ 63,423	\$ 21,574
Weighted average shares	155,410,354	151,002,849	154,348,697	150,956,859
Basic earnings per share	\$ 0.17	\$ 0.08	\$ 0.41	\$ 0.14
Weighted average shares, including the dilutive effect of stock options and warrants (2,783,450 and 243,249 for the thirteen weeks ended July 3, 2004 and June 28, 2003 respectively, and 4,151,719 and 279,648 for the twenty-six weeks ended July 3, 2004 and June 28, 2003, respectively)	158,193,804	151,246,278	158,500,416	151,236,507
Diluted earnings per share	\$ 0.16	\$ 0.08	\$ 0.40	\$ 0.14

**INGRAM MICRO INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Dollars in 000's, except per share data)**  
**(Unaudited)**

There were approximately 13,934,000 and 33,110,000 stock options for the thirteen weeks ended July 3, 2004 and June 28, 2003, respectively, and 13,719,000 and 33,110,000 stock options for the twenty-six weeks ended July 3, 2004 and June 28, 2003, respectively, that were not included in the computation of Diluted EPS because the exercise price was greater than the average market price of the Class A Common Stock, thereby resulting in an antidilutive effect.

**Accounting for Stock-Based Compensation**

The Company has adopted the provisions of Statement of Financial Accounting Standards No. 148, "Accounting for Stock Based Compensation - Transition and Disclosure" ("FAS 148"), which amends Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("FAS 123"). As permitted by FAS 148, the Company continues to measure compensation cost in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25") and related interpretations, but provides pro forma disclosures of net income and earnings per share as if the fair-value method had been applied. The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions to stock-based employee compensation.

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	July 3, 2004	June 28, 2003	July 3, 2004	June 28, 2003
Net income, as reported	\$25,868	\$11,506	\$63,423	\$21,574
Compensation expense as determined under FAS 123, net of related tax effects	6,023	7,004	12,251	14,293
Pro forma net income	<u>\$19,845</u>	<u>\$ 4,502</u>	<u>\$51,172</u>	<u>\$ 7,281</u>
Earnings per share:				
Basic - as reported	\$ 0.17	\$ 0.08	\$ 0.41	\$ 0.14
Basic - pro forma	<u>\$ 0.13</u>	<u>\$ 0.03</u>	<u>\$ 0.33</u>	<u>\$ 0.05</u>
Diluted - as reported	\$ 0.16	\$ 0.08	\$ 0.40	\$ 0.14
Diluted - pro forma	<u>\$ 0.13</u>	<u>\$ 0.03</u>	<u>\$ 0.32</u>	<u>\$ 0.05</u>

The weighted average fair value per option granted was \$4.60 and \$3.45 for the thirteen weeks ended July 3, 2004 and June 28, 2003, respectively, and \$4.78 and \$4.23, for the twenty-six weeks ended July 3, 2004 and June 28, 2003, respectively. The fair value of options was estimated using the Black-Scholes option-pricing model assuming no dividends and using the following weighted average assumptions:

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	July 3, 2004	June 28, 2003	July 3, 2004	June 28, 2003
Risk-free interest rate	3.07%	1.72%	2.70%	2.15%
Expected years until exercise	3.0 years	3.0 years	3.0 years	3.0 years
Expected stock volatility	43.8%	46.8%	41.7%	52.7%

**INGRAM MICRO INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Dollars in 000's, except per share data)**  
**(Unaudited)**

**Note 3 — Comprehensive Income**

Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" ("FAS 130") establishes standards for reporting and displaying comprehensive income and its components in the Company's consolidated financial statements. Comprehensive income is defined in FAS 130 as the change in equity (net assets) of a business enterprise during a period from transactions and other events and circumstances from nonowner sources and was comprised of net income and other comprehensive income, which consists solely of changes in foreign currency translation adjustments, for the thirteen weeks and for the twenty-six weeks ended July 3, 2004 and June 28, 2003 as summarized below:

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	July 3, 2004	June 28, 2003	July 3, 2004	June 28, 2003
Net income	\$25,868	\$11,506	\$ 63,423	\$21,574
Changes in foreign currency translation adjustments	(9,680)	25,274	(21,241)	34,888
Comprehensive income	<u>\$16,188</u>	<u>\$36,780</u>	<u>\$ 42,182</u>	<u>\$56,462</u>

Accumulated other comprehensive income included in stockholders' equity totaled \$27,571 and \$48,812 at July 3, 2004 and January 3, 2004, respectively, and consisted solely of foreign currency translation adjustments.

**Note 4 — Goodwill**

The changes in the carrying amount of goodwill for the twenty-six weeks ended July 3, 2004 and June 28, 2003 are as follows:

	North America	Europe	Asia- Pacific	Latin America	Total
Balance at January 3, 2004	\$78,444	\$ 9,308	\$156,422	\$—	\$244,174
Acquisitions	—	1,078	—	—	1,078
Foreign currency translation	(20)	(370)	(203)	—	(593)
Balance at July 3, 2004	<u>\$78,424</u>	<u>\$10,016</u>	<u>\$156,219</u>	<u>\$—</u>	<u>\$244,659</u>
Balance at December 28, 2002	\$78,310	\$ 2,111	\$153,501	\$—	\$233,922
Acquisitions	—	4,552	2,017	—	6,569
Foreign currency translation	102	681	264	—	1,047
Balance at June 28, 2003	<u>\$78,412</u>	<u>\$ 7,344</u>	<u>\$155,782</u>	<u>\$—</u>	<u>\$241,538</u>

INGRAM MICRO INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Dollars in 000's, except per share data)  
(Unaudited)

In October 2002, the Company acquired an IT distributor in Belgium. In addition to the initial cash payment, the purchase agreement requires the Company to pay the seller up to Euro 1.13 million for each of the next three years based on an earn-out formula. The addition to goodwill of \$1,078 for the twenty-six weeks ended July 3, 2004 represents the amount paid to the seller for the first year's achievement of the earn-out.

In April 2003, the Company increased its ownership in an India-based subsidiary by acquiring approximately 37% of the subsidiary held by minority shareholders. The total purchase price for this acquisition consisted of a cash payment of \$3,145, resulting in the recording of approximately \$2,017 of goodwill.

In February 2003, the Company increased its ownership in Ingram Macrotron AG, a German-based distribution company, by acquiring the remaining interest of approximately 3% held by minority shareholders. The purchase price of this acquisition consisted of a cash payment of \$6,271, resulting in the recording of \$4,552 of goodwill. Court actions have been filed by several minority shareholders contesting the adequacy of the purchase price paid for the shares and various other actions, which could affect the purchase price. Depending upon the outcome of these actions, additional payments for such shares may be required.

**Note 5 — Reorganization and Profit Enhancement Program Costs**

In September 2002, the Company announced a comprehensive profit enhancement program, which was designed to improve operating income through enhancements in gross margins and reduction of selling, general and administrative expenses, or SG&A expenses. Key components of these initiatives included enhancement and/or rationalization of vendor and customer programs, optimization of facilities and systems, outsourcing of certain IT infrastructure functions, geographic consolidations and administrative restructuring. In addition, the Company has implemented other actions outside the scope of the comprehensive profit enhancement program, which are designed to further improve operating results. The implementation of the actions associated with the comprehensive profit enhancement program and other actions taken resulted in restructuring costs and other major-program costs, which are more fully described below.

The Company has realized significant benefits from the reduction in certain SG&A expenses and gross margin improvements as a result of its comprehensive profit enhancement program, which was completed in December 2003. This program delivered approximately \$176,000 in annualized operating income improvements, exceeding the Company's original expectation of \$160,000 and maintained its major program-costs within the Company's original estimate of \$140,000, when it announced the program in September 2002.

***Reorganization Costs***

The Company has developed and implemented detailed plans for restructuring actions in connection with the comprehensive profit enhancement program and other actions it has taken. The following table summarizes the components of the Company's reorganization costs by region for each of the quarters in the six months ended July 3, 2004, and for each of the quarters in the year ended January 3, 2004 resulting from the detailed actions initiated:

INGRAM MICRO INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Dollars in 000's, except per share data)  
(Unaudited)

Quarter ended	Headcount Reduction	Employee Termination Benefits	Facility Costs	Other Costs	Total Cost
<b>July 3, 2004</b>					
North America	—	\$ (40)	\$ 323	\$ —	\$ 283
Europe	—	(59)	(153)	—	(212)
Asia-Pacific	—	—	—	—	—
Latin America	—	—	—	—	—
<b>Subtotal</b>	—	(99)	170	—	71
<b>April 3, 2004</b>					
North America	—	(94)	(97)	—	(191)
Europe	—	—	—	—	—
Asia-Pacific	30	316	—	—	316
Latin America	—	—	—	—	—
<b>Subtotal</b>	30	222	(97)	—	125
<b>Twenty-six weeks ended July 3, 2004</b>	30	\$ 123	\$ 73	\$ —	\$ 196
<b>January 3, 2004</b>					
North America	135	\$ 773	\$ 3,287	\$ —	\$ 4,060
Europe	60	1,285	694	—	1,979
Asia-Pacific	10	41	—	—	41
Latin America	90	631	125	13	769
<b>Subtotal</b>	295	2,730	4,106	13	6,849
<b>September 27, 2003</b>					
North America	20	422	253	—	675
Europe	45	591	158	(24)	725
Asia-Pacific	5	20	—	—	20
Latin America	45	70	—	—	70
<b>Subtotal</b>	115	1,103	411	(24)	1,490
<b>June 28, 2003</b>					
North America	245	1,658	(242)	48	1,464
Europe	—	(82)	141	(293)	(234)
Asia-Pacific	—	1	—	—	1
Latin America	20	61	—	—	61
<b>Subtotal</b>	265	1,638	(101)	(245)	1,292
<b>March 29, 2003</b>					
North America	280	3,564	—	1,471	5,035
Europe	60	864	5,787	81	6,732
Asia-Pacific	10	12	—	—	12
Latin America	15	160	—	—	160
<b>Subtotal</b>	365	4,600	5,787	1,552	11,939
<b>Full year 2003</b>	1,040	\$10,071	\$10,203	\$1,296	\$21,570

**INGRAM MICRO INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Dollars in 000's, except per share data)**  
**(Unaudited)**

The reorganization charge of \$71 for the second quarter of 2004 included net charges of \$170 for higher than expected costs associated with facility consolidations (\$63 and \$260 related to actions taken in the third quarter of 2002 and second quarter of 2001 in North America, respectively; partially offset by credits of \$153 related to actions taken in the fourth quarter of 2003 for Europe) and credits of \$40 and \$59 related to actions taken in the third and fourth quarters of 2003 for lower than expected costs associated with employee termination benefits in North America and Europe, respectively.

The reorganization charge of \$125 for the first quarter of 2004 included \$316 related to detailed actions taken during the quarter, partially offset by credits of \$8 and \$86 related to detailed actions taken in the second and fourth quarters of 2003 for lower than anticipated costs associated with employee termination benefits in North America and a credit of \$97 related to actions taken in third quarter of 2002 for lower than expected costs associated with facility consolidations in North America.

*Quarter ended April 3, 2004*

Reorganization costs for the first quarter of 2004 were primarily comprised of employee termination benefits for workforce reductions in Asia-Pacific.

The reorganization charges, related payment activities and adjustments for the twenty-six weeks ended July 3, 2004 and the remaining liability at July 3, 2004 related to these detailed actions are summarized as follows:

	<u>Costs</u>	<u>Amounts Paid and Charged Against the Liability</u>	<u>Adjustments</u>	<u>Remaining Liability at July 3, 2004</u>
Employee termination benefits	\$316	\$316	\$ —	\$ —

*Quarter ended January 3, 2004*

Reorganization costs for the fourth quarter of 2003 were primarily comprised of employee termination benefits for workforce reductions worldwide and lease exit costs for facility consolidations in North America, Europe and Latin America. These restructuring actions are complete; however, future cash outlays will be required primarily due to severance payment terms and future lease payments related to exited facilities.

The payment activities and adjustments for the twenty-six weeks ended July 3, 2004 and the remaining liability at July 3, 2004 related to these detailed actions are summarized as follows:

	<u>Outstanding Liability at January 3, 2004</u>	<u>Amounts Paid and Charged Against the Liability</u>	<u>Adjustments</u>	<u>Remaining Liability at July 3, 2004</u>
Employee termination benefits	\$ 889	\$690	\$(145)	\$ 54
Facility costs	1,816	103	(153)	1,560
Total	<u>\$2,705</u>	<u>\$793</u>	<u>\$(298)</u>	<u>\$1,614</u>

The adjustment reflects credits of \$86 in North America and \$59 in Europe recorded in the first quarter of 2004 and in the second quarter of 2004, respectively, for lower than expected costs of employee termination benefits and a credit of \$153 in Europe recorded in the second quarter of 2004 for lower lease exit costs for facility consolidations.

**INGRAM MICRO INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Dollars in 000's, except per share data)**  
**(Unaudited)**

*Quarter ended September 27, 2003*

Reorganization costs for the third quarter of 2003 were primarily comprised of employee termination benefits for workforce reductions worldwide and, to a lesser extent, lease exit costs for facility consolidations in Europe.

The payment activities and adjustments for the twenty-six weeks ended July 3, 2004 and the remaining liability at July 3, 2004 related to these detailed actions are summarized as follows:

	<b>Outstanding Liability at January 3, 2004</b>	<b>Amounts Paid and Charged Against the Liability</b>	<b>Adjustments</b>	<b>Remaining Liability at July 3, 2004</b>
Employee termination benefits	\$ 41	\$ 1	\$(40)	\$ —

The adjustment reflects lower costs of termination benefits in North America totaling \$40 in the second quarter of 2004.

*Quarter ended June 28, 2003*

Reorganization costs for the second quarter of 2003 were primarily comprised of employee termination benefits for workforce reductions in North America and lease exit costs for facility consolidations in the Company's North American headquarters in Santa Ana, California. These restructuring actions are complete; however, future cash outlays will be required primarily due to future lease payments related to exited facilities.

The payment activities and adjustments for the twenty-six weeks ended July 3, 2004 and the remaining liability at July 3, 2004 related to these detailed actions are summarized as follows:

	<b>Outstanding Liability at January 3, 2004</b>	<b>Amounts Paid and Charged Against the Liability</b>	<b>Adjustments</b>	<b>Remaining Liability at July 3, 2004</b>
Employee termination benefits	\$ 20	\$ 12	\$( 8)	\$ —
Facility costs	880	281	—	599
Other costs	48	48	—	—
Total	\$948	\$341	\$( 8)	\$599

The adjustment reflects lower costs of employee termination benefits in North America totaling \$8 recorded in the first quarter of 2004.

*Quarter ended March 29, 2003*

Reorganization costs for the first quarter of 2003 were primarily comprised of employee termination benefits for workforce reductions worldwide; facility exit costs, principally comprised of lease exit costs associated with the downsizing of an office facility and exit of a warehouse in Europe; and other costs, primarily comprised of contract termination expenses associated with outsourcing certain IT infrastructure functions. These restructuring actions are complete; however, future cash outlays will be required primarily due to severance payment terms and future lease payments related to exited facilities.

The payment activities and adjustments for the twenty-six weeks ended July 3, 2004 and the remaining liability at July 3, 2004 related to these detailed actions are summarized as follows:

	<b>Outstanding Liability at January 3, 2004</b>	<b>Amounts Paid and Charged Against the Liability</b>	<b>Adjustments</b>	<b>Remaining Liability at July 3, 2004</b>
Employee termination benefits	\$ 630	\$ 473	\$ —	\$ 157
Facility costs	2,102	595	—	1,507
Other costs	529	529	—	—
Total	\$3,261	\$1,597	\$ —	\$1,664

**INGRAM MICRO INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Dollars in 000's, except per share data)**  
**(Unaudited)**

*Quarter ended December 28, 2002*

Reorganization costs for the fourth quarter of 2002 were primarily comprised of employee termination benefits for workforce reductions primarily in North America and Europe; facility exit costs were primarily comprised of lease exit costs for the downsizing of the Williamsville, New York office facility, and consolidating the Mississauga, Canada office facility; and other costs primarily comprised of contract termination expenses associated with outsourcing certain IT infrastructure functions as well as other costs associated with the reorganization activities. These restructuring actions are complete; however, future cash outlays will be required due to severance payment terms and future lease payments related to exited facilities.

The payment activities and adjustments for the twenty-six weeks ended July 3, 2004 and the remaining liability at July 3, 2004 related to these detailed actions are summarized as follows:

	<b>Outstanding Liability at January 3, 2004</b>	<b>Amounts Paid and Charged Against the Liability</b>	<b>Adjustments</b>	<b>Remaining Liability at July 3, 2004</b>
Employee termination benefits	\$ 265	\$ 187	\$ —	\$ 78
Facility costs	10,300	1,282	—	9,018
<b>Total</b>	<b>\$10,565</b>	<b>\$1,469</b>	<b>\$ —</b>	<b>\$9,096</b>

*Quarter ended September 28, 2002*

Reorganization costs for the third quarter of 2002 were primarily comprised of employee termination benefits for workforce reductions worldwide; facility exit costs primarily comprised of lease exit costs for the closure of the Memphis, Tennessee configuration center and Harrisburg, Pennsylvania returns center, downsizing the Carol Stream, Illinois and Jonestown, Pennsylvania distribution centers, closing the European assembly facility and the consolidation of operations in Australia; and other costs associated with the reorganization activities. These restructuring actions are substantially complete; however, future cash outlays will be required due to future lease payments related to exited facilities.

The payment activities and adjustments for the twenty-six weeks ended July 3, 2004 and the remaining liability at July 3, 2004 related to these detailed actions are summarized as follows:

	<b>Outstanding Liability at January 3, 2004</b>	<b>Amounts Paid and Charged Against the Liability</b>	<b>Adjustments</b>	<b>Remaining Liability at July 3, 2004</b>
Facility costs	\$6,386	\$2,008	\$(34)	\$4,344

The adjustment reflects lower than expected lease obligations associated with the closure of the Harrisburg, Pennsylvania returns center totaling \$97 recorded in the first quarter of 2004; partially offset by higher than expected lease obligations associated with the closure of the Memphis, Tennessee configuration center totaling \$63 recorded in the second quarter of 2004.

*Actions prior to June 30, 2002*

Prior to June 30, 2002, detailed actions under the Company's reorganization plan included workforce reductions and facility consolidations worldwide. Facility consolidations primarily included consolidation of the Company's North American headquarters in Santa Ana, California, closing the Newark and Fullerton, California distribution centers, downsizing the Miami, Florida distribution center, closing the returns processing centers in Santa Ana and Rancho Cucamonga, California, centralizing returns in the Harrisburg, Pennsylvania returns center, and consolidation and/or exit of warehouse and office facilities in Europe, Latin America and Asia-Pacific. These restructuring actions are completed; however, future cash outlays will be required due to severance payment terms and future lease payments related to exited facilities.

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**(Unaudited)**

The payment activities and adjustments for the twenty-six weeks ended July 3, 2004 and the remaining liability at July 3, 2004 related to these detailed actions are summarized as follows:

	Outstanding Liability at January 3, 2004	Amounts Paid and Charged Against the Liability	Adjustments	Remaining Liability at July 3, 2004
Employee termination benefits	\$ 232	\$ 53	\$ —	\$ 179
Facility costs and other	1,443	812	260	891
Total	<u>\$1,675</u>	<u>\$865</u>	<u>\$260</u>	<u>\$1,070</u>

The adjustment reflects higher than expected lease obligations associated with the closure of the Fullerton, California distribution center totaling \$260 recorded in the second quarter of 2004.

***Other Profit Enhancement Program Implementation Costs***

For the thirteen weeks ended June 28, 2003, other costs related to the implementation of the profit enhancement program totaled \$11,201, which were recorded in SG&A expenses. Of this amount, \$6,144 related to actions contemplated under the original profit enhancement program announced in September 2002, including \$3,874 primarily comprised of recruiting, retention, training and other transition costs associated with the relocation of major functions and outsourcing of certain IT infrastructure functions in North America, and \$2,270 of incremental depreciation resulting from the acceleration of estimated useful lives of fixed assets to coincide with the planned exit of certain facilities and outsourcing of certain IT infrastructure functions in North America. In addition, \$5,057 related to new profit improvement opportunities primarily consisting of the sale of a non-core German semiconductor equipment distribution business. Substantially all of the assets of this business were sold primarily in exchange for assumption of certain liabilities, resulting in the loss on the sale of the business.

For the twenty-six weeks ended June 28, 2003, other costs related to the implementation of the profit enhancement program totaled \$19,424, of which \$13,017 related to actions contemplated under the original profit enhancement program announced in September 2002 and \$6,407 related to new profit improvement opportunities primarily consisting of the sale of the non-core German semiconductor equipment distribution business, further consolidation of the Company's operations in the Nordic areas of Europe, and other actions in Asia-Pacific and Latin America. Of the total \$19,424 in other major-program costs, \$18,981 was recorded as SG&A expenses and was comprised of \$7,395 of incremental depreciation (\$6,488 in North America and \$907 in Europe) resulting from the acceleration of estimated useful lives of fixed assets to coincide with the planned exit of certain facilities and outsourcing of certain IT infrastructure functions, \$6,529 primarily comprised of recruiting, retention, training and other transition costs associated with the relocation of major functions and outsourcing of certain IT infrastructure functions in North America, and \$5,057 related to the loss on the sale of the non-core German semiconductor equipment distribution business. In addition, other major-program costs of \$443 were recorded in cost of sales, primarily comprised of incremental inventory losses caused by the decision to further consolidate Nordic areas in Europe.

**Note 6 — Accounts Receivable**

At July 3, 2004, the Company had a revolving accounts receivable securitization program in the U.S., which provided for the issuance of up to \$700,000 in commercial paper secured by undivided interests in a pool of transferred receivables. In connection with this program, which was scheduled to expire in March 2005, most of the Company's U.S. trade accounts receivable were transferred without recourse to a trust in exchange for a beneficial interest in the total pool of trade receivables. Sales of undivided interests to third parties under this program resulted in a reduction of total accounts receivable in the Company's consolidated balance sheet. The excess of the trade accounts receivable transferred over amounts sold to and held by third parties at any one point in time represented the Company's retained interest in the transferred accounts receivable and is shown in the Company's consolidated balance sheet as a separate caption under accounts receivable. Retained interests are carried at their fair value, estimated as the net realizable value, which considers the relatively short liquidation period and includes an estimated provision for credit losses. At July 3, 2004 and January 3, 2004, the amount of undivided interests sold to and held by third parties totaled \$70,000, and \$60,000, respectively.

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Effective July 29, 2004, the Company early-terminated its \$700,000 revolving accounts receivable securitization program in the U.S., which was scheduled to expire in March 2005. On the same day, the Company entered into a new revolving accounts receivable-based financing program, which provides for up to \$500,000 in borrowing capacity secured by substantially all U.S. based receivables (see Note 7 to the consolidated financial statements for a detailed discussion of the new program).

The Company also has certain other trade accounts receivable-based facilities in Canada and Europe, which provide up to approximately \$323,000 of additional financing capacity, depending upon the level of trade accounts receivable eligible to be transferred or sold. The accounts receivable-based facility in Canada of 150 million Canadian dollars, or approximately \$113,000, was scheduled to expire in August 2004. On July 26, 2004, the Company amended this facility and extended the maturity to August 31, 2008 (see Note 7 to the consolidated financial statements for a detailed discussion of this new facility). At July 3, 2004 and January 3, 2004, there were no trade accounts receivable sold to and held by third parties under these programs.

The Company is required to comply with certain financial covenants under some of its financing facilities, including minimum tangible net worth, restrictions on funded debt, interest coverage and trade accounts receivable portfolio performance covenants. The Company is also restricted in the amount of dividends it can pay as well as the amount of common stock that it can repurchase annually. At July 3, 2004, the Company was in compliance with all covenants or other requirements set forth in its accounts receivable financing programs discussed above.

Losses in the amount of \$1,089 and \$2,368 for the thirteen weeks ended July 3, 2004 and June 28, 2003, respectively, and \$2,948 and \$6,685 for the twenty-six weeks ended July 3, 2004 and June 28, 2003, respectively, related to the sale of trade accounts receivable under these facilities, or off-balance sheet debt, are included in other expenses in the Company's consolidated statement of income.

**Note 7 — Long-Term Debt**

The Company's debt consists of the following:

	<u>July 3, 2004</u>	<u>January 3, 2004</u>
Revolving unsecured credit facilities and other debt	\$ 112,486	\$ 128,346
European revolving trade accounts receivable backed financing facilities	—	20,207
Senior subordinated notes	215,368	219,702
	327,854	368,255
Current maturities of long-term debt	(112,486)	(128,346)
	<u>\$ 215,368</u>	<u>\$ 239,909</u>

On July 29, 2004, the Company entered into a new revolving accounts receivable-based financing program, which provides for up to \$500,000 in borrowing capacity secured by substantially all U.S. based receivables. At the option of the Company, the program may be increased to as much as \$600,000 at any time prior to July 29, 2006. This new facility expires on March 31, 2008. Based on the terms and conditions of the new program structure, financing under the program will be accounted for prospectively as a financing facility, or on-balance sheet debt.

On July 26, 2004, the Company amended its current trade accounts receivable program in Canada, which provides for borrowing capacity up to 150 million Canadian dollars, or approximately \$113,000. Pursuant to the amendment, the Company extended the program maturity to August 31, 2008, on substantially similar terms and conditions that existed prior to such amendment. However, under the new program, the Company obtained certain rights to repurchase transferred receivables. Based on the terms and conditions of the new program structure, financing under the program will be accounted for prospectively as on-balance sheet debt.

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**(Unaudited)**

**Note 8 - Segment Information**

The Company operates predominantly in a single industry segment as a distributor of IT products and services. The Company's operating segments are based on geographic location, and the measure of segment profit is income from operations. Due to the significance of the Company's Asia-Pacific region's net sales, the Company is now reporting Asia-Pacific and Latin America as separate segments. Previously, the Asia-Pacific and Latin America regions were combined and reported as the Company's "Other International" segment. Prior year amounts have been disclosed to conform to the current segment reporting structure.

Geographic areas in which the Company operated during 2004 include North America (United States and Canada), Europe (Austria, Belgium, France, Germany, Hungary, Italy, The Netherlands, Spain, Sweden, Switzerland, and the United Kingdom), Asia-Pacific (Australia, The People's Republic of China [including Hong Kong], India, Malaysia, New Zealand, Singapore, and Thailand), and Latin America (Brazil, Chile, Mexico, and the Company's Latin American export operations in Miami). Intergeographic sales primarily represent intercompany sales that are accounted for based on established sales prices between the related companies and are eliminated in consolidation.

Financial information by geographic segment is as follows:

	As of and for the Thirteen Weeks Ended		As of and for the Twenty-six Weeks Ended	
	July 3, 2004	June 28, 2003	July 3, 2004	June 28, 2003
<b>Net sales:</b>				
North America				
Sales to unaffiliated customers	\$2,803,558	\$2,570,572	\$ 5,584,746	\$ 5,325,584
Intergeographic areas	33,421	27,844	69,319	58,601
Europe	2,108,909	1,781,811	4,721,655	3,710,639
Asia-Pacific	558,510	571,593	1,185,622	1,119,897
Latin America	245,642	246,659	500,236	488,729
Eliminations of intergeographic areas	(33,421)	(27,844)	(69,319)	(58,601)
Total	<u>\$5,716,619</u>	<u>\$5,170,635</u>	<u>\$11,992,259</u>	<u>\$10,644,849</u>
<b>Income from operations:</b>				
North America	\$ 28,078	\$ 19,888	\$ 53,358	\$ 34,739
Europe	16,295	6,961	55,325	18,396
Asia-Pacific	1,266	168	1,294	307
Latin America	2,245	305	4,477	971
Total	<u>\$ 47,884</u>	<u>\$ 27,322</u>	<u>\$ 114,454</u>	<u>\$ 54,413</u>
<b>Identifiable assets:</b>				
North America	\$3,313,430	\$3,081,282	\$ 3,313,430	\$ 3,081,282
Europe	1,398,136	1,120,377	1,398,136	1,120,377
Asia-Pacific	169,048	178,308	169,048	178,308
Latin America	216,895	201,220	216,895	201,220
Total	<u>\$5,097,509</u>	<u>\$4,581,187</u>	<u>\$ 5,097,509</u>	<u>\$ 4,581,187</u>
<b>Capital expenditures:</b>				
North America	\$ 4,990	\$ 4,419	\$ 8,574	\$ 11,981
Europe	2,302	431	3,416	3,516
Asia-Pacific	367	449	779	863
Latin America	259	1,186	424	1,578
Total	<u>\$ 7,918</u>	<u>\$ 6,485</u>	<u>\$ 13,193</u>	<u>\$ 17,938</u>

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	As of and for the Thirteen Weeks Ended		As of and for the Twenty-six Weeks Ended	
	July 3, 2004	June 28, 2003	July 3, 2004	June 28, 2003
<b>Depreciation:</b>				
North America	\$ 8,774	\$14,066	\$17,992	\$30,586
Europe	4,056	4,229	8,277	9,278
Asia-Pacific	768	793	1,554	1,597
Latin America	519	628	1,061	1,251
Total	<u>\$14,117</u>	<u>\$19,716</u>	<u>\$28,884</u>	<u>\$42,712</u>

Supplemental information relating to reorganization costs and other profit enhancement program costs by geographic segment included in income from operations is as follows:

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	July 3, 2004	June 28, 2003	July 3, 2004	June 28, 2003
<b>Reorganization costs (Note 5):</b>				
North America	\$ 283	\$ 1,464	\$ 92	\$ 6,499
Europe	(212)	(234)	(212)	6,498
Asia-Pacific	—	1	316	13
Latin America	—	61	—	221
Total	<u>\$ 71</u>	<u>\$ 1,292</u>	<u>\$ 196</u>	<u>\$13,231</u>
<b>Other profit enhancement program costs (Note 5):</b>				
<b>Charged to cost of sales:</b>				
Europe	\$ —	\$ —	\$ —	\$ 443
<b>Charged to operating expenses:</b>				
North America	\$ —	\$ 6,144	\$ —	\$13,017
Europe	—	5,057	—	5,964
Total	<u>\$ —</u>	<u>\$11,201</u>	<u>\$ —</u>	<u>\$18,981</u>

**Note 9 — Commitments and Contingencies**

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

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

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At July 3, 2004, the Company had deferred tax liabilities of \$2,418, \$42,131 and \$5,637 related to the gains realized on the sales of SOFTBANK Corp., or Softbank, common stock in 2002, 2000, and 1999, respectively. The Softbank common stock was sold in the public market by certain of Ingram Micro's foreign subsidiaries, which are located in a low-tax jurisdiction. At the time of sale, the Company concluded that U.S. taxes were not currently payable on the gains based on its internal assessment and opinions received from its outside advisors. However, in situations involving uncertainties in the interpretation of complex tax regulations by various taxing authorities, the Company provides for tax liabilities unless it considers it probable that taxes will not be due. The level of opinions received from its outside advisors and the Company's internal assessment did not allow the Company to reach that conclusion on this matter. Although the Company reviews its assessments in these matters on a regular basis, it cannot currently determine when these deferred tax liabilities will be finally resolved with the taxing authorities, or if the deferred taxes will ultimately be paid. Accordingly, the Company continues to provide for these tax liabilities. If the Company is successful in obtaining a favorable resolution of this matter, the Company's tax provision would be reduced to reflect the elimination of some or all of these deferred tax liabilities. However, in the event of an unfavorable resolution, the Company believes that it will be able to fund any such taxes that may be assessed on this matter with available sources of liquidity. The Company's federal tax returns for fiscal years through 1999 have been closed.

During 2002 and 2003, one of the Company's Latin American subsidiaries was audited by the Brazilian taxing authorities in relation to certain commercial taxes. As a result of this audit, the subsidiary received an assessment of Brazilian Reais 27.4 million, including interest and penalties through July 3, 2004, or approximately \$9,000 alleging these commercial taxes were not properly remitted for the period January through September 2002. The Brazilian taxing authorities may make similar claims for periods subsequent to September 2002. It is management's opinion, based upon the opinions of outside legal advisors, that the Company has valid defenses related to this matter. Although the Company is vigorously pursuing administrative and judicial action to challenge the assessment, no assurance can be given as to the ultimate outcome. An unfavorable resolution of this matter is not expected to have a material impact on the Company's financial condition, but depending upon the time period and amounts involved it may have a material negative effect on the Company's results of operations.

## Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion includes forward-looking statements, including but not limited to, management’s expectations for competition; revenues, margin, expenses and other operating results or ratios; operating efficiencies; economic conditions; cost savings; capital expenditures; liquidity; capital requirements and exchange rate fluctuations. In evaluating our business, readers should carefully consider the important factors discussed in “Cautionary Statements for the Purpose of the ‘Safe Harbor’ Provisions of the Private Securities Litigation Reform Act of 1995” below. In addition, this Management’s Discussion and Analysis, or MD&A, should be read in conjunction with the MD&A and related information included in our Annual Report on Form 10-K and in Exhibit 99.01 to our Annual Report on Form 10-K for the fiscal year ended January 3, 2004, as filed with the Securities and Exchange Commission, or SEC. We disclaim any duty to update any forward-looking statements.

### Overview of Our Business

We are the largest distributor of information technology, or IT, products and supply chain solutions worldwide based on revenues. We offer a broad range of IT products and services and help generate demand and create efficiencies for our customers and suppliers around the world. The IT distribution industry in which we operate is characterized by narrow gross profit as a percentage of net sales, or gross margin, and narrow income from operations as a percentage of net sales or operating margin. Historically, our margins have been impacted by intense price competition, as well as changes in vendor terms and conditions, including, but not limited to, significant reductions in vendor rebates and incentives, tighter restrictions on our ability to return inventory to vendors, and reduced time periods qualifying for price protection. We expect these competitive pricing pressures and restrictive vendor terms and conditions to continue in the foreseeable future. To mitigate these factors, we have implemented changes to and continue to refine our pricing strategies, inventory management processes and vendor program processes. In addition, we continuously monitor and change, as appropriate, certain terms and conditions offered to our customers to reflect those being imposed by our vendors. Our business also requires significant levels of working capital primarily to finance accounts receivable. We have historically relied on, and continue to rely heavily on, debt, trade credit from vendors and accounts receivable financing programs for our working capital needs.

We have made substantial operating improvements through a variety of strategic actions we have taken since June 2001 when we initiated a broad-based reorganization plan to streamline operations and reorganize resources to increase flexibility, improve service and generate cost savings and operational efficiencies. Also, in September 2002, we announced a comprehensive profit enhancement program, which was designed to improve operating income through enhancements in gross margin and reduction of selling, general and administrative expenses, or SG&A expenses. Key components of this initiative included enhancement and/or rationalization of vendor and customer programs, optimization of facilities and systems, outsourcing of certain IT infrastructure functions, geographic consolidations and administrative restructuring. In addition, we have implemented other initiatives on a periodic basis to improve business processes, reduce costs, and improve operations. These actions have resulted in reorganization costs for severance expenses, lease termination costs and other costs associated with the exit of facilities or other contracts. These actions have also resulted in other program implementation costs charged to cost of sales and SG&A expenses for program management and consulting expenses, accelerated depreciation, losses on disposals of certain assets, costs related to outsourcing of certain IT infrastructure functions, costs associated with geographic relocation, and inventory and vendor-program losses primarily associated with the exit of certain businesses.

We have realized significant benefits from the reduction in certain SG&A expenses and gross margin improvements as a result of our comprehensive profit enhancement program, which was completed in December 2003. Our program delivered approximately \$176 million in annualized operating income improvements, exceeding our original expectation of \$160 million and maintained our major-program costs within our original estimate of \$140 million, when we announced the program in September 2002.

## Management's Discussion and Analysis Continued

### Results of Operations

The following tables set forth our net sales by geographic region (excluding intercompany sales) and the percentage of total net sales represented thereby, as well as operating income and operating margin by geographic region for each of the thirteen and twenty-six weeks indicated (in millions). Due to the significance of our Asia-Pacific region's net sales, we are now reporting Asia-Pacific and Latin America as separate segments. Previously, the Asia-Pacific and Latin America regions were combined and reported as our "Other International" segment.

	Thirteen Weeks Ended				Twenty-six Weeks Ended			
	July 3, 2004		June 28, 2003		July 3, 2004		June 28, 2003	
Net sales by geographic region:								
North America	\$2,804	49.0%	\$2,571	49.7%	\$ 5,585	46.5%	\$ 5,325	50.0%
Europe	2,109	36.9	1,782	34.5	4,722	39.4	3,711	34.9
Asia-Pacific	558	9.8	571	11.0	1,185	9.9	1,120	10.5
Latin America	246	4.3	247	4.8	500	4.2	489	4.6
Total	\$5,717	100.0%	\$5,171	100.0%	\$11,992	100.0%	\$10,645	100.0%

	Thirteen Weeks Ended				Twenty-six Weeks Ended			
	July 3, 2004		June 28, 2003		July 3, 2004		June 28, 2003	
Operating income and operating margin by geographic region:								
North America	\$28.1	1.0%	\$19.9	0.8%	\$ 53.4	0.9%	\$34.7	0.7%
Europe	16.3	0.8	7.0	0.4	55.3	1.2	18.4	0.5
Asia-Pacific	1.3	0.2	0.1	0.0	1.3	0.1	0.3	0.0
Latin America	2.2	0.9	0.3	0.1	4.5	0.9	1.0	0.2
Total	\$47.9	0.8%	\$27.3	0.5%	\$114.5	0.9%	\$54.4	0.5%

The following table sets forth certain items from our consolidated statement of income as a percentage of net sales, for each of the periods indicated.

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	July 3, 2004	June 28, 2003	July 3, 2004	June 28, 2003
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	94.6	94.6	94.6	94.6
Gross profit	5.4	5.4	5.4	5.4
Operating expenses:				
Selling, general and administrative	4.6	4.9	4.5	4.8
Reorganization costs	0.0	0.0	0.0	0.1
Income from operations	0.8	0.5	0.9	0.5
Other expense (income), net	0.2	0.2	0.2	0.2
Income before income taxes	0.6	0.3	0.7	0.3
Provision for income taxes	0.2	0.1	0.2	0.1
Net income	<u>0.4%</u>	<u>0.2%</u>	<u>0.5%</u>	<u>0.2%</u>

## Management's Discussion and Analysis Continued

### Results of Operations for the Thirteen Weeks Ended July 3, 2004 Compared to Thirteen Weeks Ended June 28, 2003

Our consolidated net sales increased 10.6% to \$5.72 billion for the thirteen weeks ended July 3, 2004, or second quarter of 2004, from \$5.17 billion for the thirteen weeks ended June 28, 2003, or second quarter of 2003. The increase in net sales was primarily attributable to stronger demand of IT products and services, particularly in North America and Europe, and the translation impact of the strengthening European currencies compared to the U.S. dollar (approximately three percentage points of the growth).

Net sales from our North American operations increased 9.1% to \$2.80 billion in the second quarter of 2004 from \$2.57 billion in the second quarter of 2003, reflecting stronger demand for IT products and services. Net sales from our European operations increased 18.4% to \$2.11 billion in the second quarter of 2004 from \$1.78 billion in the second quarter of 2003, primarily due to stronger demand for IT products and services across the region, increases in our market share in certain operations within Europe and the appreciation of European currencies compared to the U.S. dollar, which contributed approximately 7 percentage points to this increase. Net sales from our Asia-Pacific operations decreased 2.3% to \$558 million in the second quarter of 2004 from \$571 million in the second quarter of 2003. Our focus on improving the operating model and profitability in this region had a tempering effect on our sales during the quarter. We continue to focus on profitable growth in our Asia-Pacific region and will make changes to business processes, add or delete products or customers, and implement other changes in the region. As a result, revenue growth rates and profitability in this emerging region may fluctuate significantly from quarter to quarter. Net sales from our Latin American operations remained relatively flat at \$246 million in the second quarter of 2004 compared to the second quarter of 2003.

Despite an intense competitive environment primarily in North America, gross margin remained flat at 5.4% in the second quarters of 2004 and 2003. This reflects strong inventory management and benefits from our comprehensive profit enhancement program. We continuously evaluate and modify our pricing policies and certain terms and conditions offered to our customers to reflect those being imposed by our vendors and general market conditions. As we continue to evaluate our existing pricing policies and make future changes, if any, we may experience moderated or negative sales growth in the near term. In addition, increased competition and any retractions or softness in economies throughout the world may hinder our ability to maintain and/or improve gross margins from the levels realized in recent quarters.

Total SG&A expenses increased 4.2% to \$263.5 million in the second quarter of 2004 from \$252.8 million in the second quarter of 2003. The increase in SG&A expenses was primarily attributable to the translation impact of the strengthening European currencies of approximately \$6 million, realignment costs of approximately \$5 million associated with downsizing and relocating activities in our under-performing German-based networking unit, and increased expenses required to support the growth of our business, partially offset by the benefits of our comprehensive profit enhancement program and the reduction of the related implementation costs of \$11.2 million incurred in the second quarter of 2003 (see Note 5 to our consolidated financial statements). As a percentage of net sales, total SG&A expenses decreased to 4.6% in the second quarter of 2004 compared to 4.9% in the second quarter of 2003 primarily due to the economies of scale from the higher level of revenue and savings from our comprehensive profit enhancement program and other actions we have taken as well as the reduction of the related implementation costs, and continued cost control measures. We continue to pursue and implement business process improvements and organizational changes to create sustained cost reductions without sacrificing customer service over the long-term.

**Management's Discussion and Analysis Continued**

For the second quarter of 2004, reorganization costs were \$0.1 million consisting of a charge of \$0.3 million related to detailed actions taken in previous quarters for higher than expected costs associated with facility consolidations in North America and credits of \$0.2 million related to detailed actions taken in previous quarters for lower employee termination benefits and lower lease termination costs in Europe. For the second quarter of 2003, reorganization costs were \$1.3 million consisting of a charge of \$3.5 million for detailed actions taken in the second quarter of 2003 and credits of \$2.2 million to reflect adjustments to detailed actions taken in previous quarters. The charge of \$3.5 million included \$1.8 million of employee termination benefits for approximately 265 employees (\$1.7 million for approximately 245 employees in North America and \$0.1 million for approximately 20 employees in Latin America); \$1.6 million, primarily consisting of estimated lease exit costs in connection with closing, downsizing and consolidating facilities in Europe; and \$0.1 million of other costs primarily due to contract terminations in North America. The credit adjustments of \$2.2 million represent \$0.2 million of credits related to detailed actions taken in previous quarters for lower than anticipated costs associated with employee termination benefits (\$0.1 million in North America and \$0.1 million in Europe) and \$2.0 million of credits related to detailed actions taken in previous quarters for lower than expected costs associated with facility consolidations (\$1.9 million in North America and \$0.1 million in Europe).

Income from operations as a percentage of net sales increased to 0.8% in the second quarter of 2004 from 0.5% in the second quarter of 2003. Our North American income from operations as a percentage of net sales increased to 1.0% in the second quarter of 2004 compared to 0.8% in the second quarter of 2003 reflecting the benefits of our comprehensive profit enhancement program and reduction of the related implementation costs, partially offset by competitive pressures on pricing. Our European income from operations as a percentage of net sales increased to 0.8% in the second quarter of 2004 from 0.4% in the second quarter of 2003 reflecting improvements from our comprehensive profit enhancement program and other actions we have taken, a reduction in related implementation costs, and economies of scale from the higher volume of business. Our Asia-Pacific income from operations as a percentage of net sales increased to 0.2% in the second quarter of 2004 from less than 0.1% in the second quarter of 2003, while our Latin American income from operations as a percentage of net sales increased to 0.9% in the second quarter of 2004 from 0.1% in the second quarter of 2003. Strengthening the Asia-Pacific and Latin American operating models positively impacted income from operations in these regions. We continue to implement process improvements and other changes in these regions to improve profitability over the long-term. However, no assurance can be made that we will continue to be successful in these efforts.

Other expense (income) consisted primarily of interest, losses on sales of receivables under our accounts receivable-based facilities, foreign currency exchange losses and other non-operating gains and losses. Net other expense of \$9.8 million in the second quarter of 2004 was relatively flat compared to the second quarter of 2003, despite the significant increase in our net sales, a result of our strong working capital management, lower borrowings and lower interest rates partially offset by higher foreign currency losses.

Our effective tax rate was 32% in the second quarter of 2004 compared to 35% in the second quarter of 2003. The decrease in the 2004 effective tax rate was primarily attributable to the change in the proportion of income estimated to be earned for each respective full year within the various taxing jurisdictions and/or tax rates applicable to such taxing jurisdictions as well as the benefits of our ongoing tax strategies.

**Results of Operations for the Twenty-six Weeks Ended July 3, 2004 Compared to Twenty-six Weeks Ended June 28, 2003**

Our consolidated net sales increased 12.7% to \$11.99 billion for the twenty-six weeks ended July 3, 2004, or first six months of 2004, from \$10.64 billion for the twenty-six weeks ended June 28, 2003, or first six months of 2003. The increase in net sales for the first six months of 2004 compared to 2003 on a worldwide basis is attributable to the stronger demand of IT products and services and the appreciation of European currencies compared to the U.S. dollar. Net sales from our North American operations increased 4.9% to \$5.58 billion in the first six months of 2004 from \$5.33 billion in the first six months of 2003, reflecting a slightly improving demand for IT products and services. Net sales from our European operations increased 27.2% to \$4.72 billion in the first six months of 2004 from \$3.71 billion in the first six months of 2003, primarily due to stronger demand for IT products and services across the region, increases in our market share in certain operations within Europe and the appreciation of European currencies compared to the U.S. dollar, which contributed approximately 13 percentage points of this increase. Net sales from our Asia-Pacific operations increased 5.9% to \$1.19 billion in the first six months of 2004 from \$1.12 billion in the first six months of 2003 due to the high demand of IT products and services in the first quarter of 2004. However, our focus on improving the operating model and profitability in this region had a tempering effect on sales growth for the second quarter and first six months of 2004. Net sales from our Latin America operations increased 2.4% to \$500 million in the first six months of 2004 from \$489 million in the first six months of 2003 due to the relatively strong demand in the first quarter of 2004 tempered by our focus on strengthening the operating model in Latin America in the second quarter of 2004.

**Management's Discussion and Analysis Continued**

Gross margin remained flat at 5.4% in the first six months of 2004 and 2003, reflecting the same factors as discussed in the second quarters of 2004 and 2003.

Total SG&A expenses increased 5.5% to \$538.3 million in the first six months of 2004 from \$510.0 million in the first six months of 2003. The increase in SG&A expenses was primarily attributable to the translation impact of the strengthening European currencies of approximately \$19 million, realignment costs of approximately \$5 million associated with downsizing and relocating activities in our under-performing German-based networking unit and increased expenses required to support the growth of our business, partially offset by the benefits of our comprehensive profit enhancement program and the reduction of related implementation costs of \$19.0 million from prior year (see Note 5 to our consolidated financial statements). As a percentage of net sales, total SG&A expenses decreased to 4.5% in the first six months of 2004 compared to 4.8% in the first six months of 2003 primarily due to the economies of scale from the higher level of revenue and savings from our comprehensive profit enhancement program and other actions we have taken as well as the reduction of the related implementation costs, and continued cost control measures. We continue to pursue and implement business process improvements and organizational changes to create sustained cost reductions without sacrificing customer service over the long-term.

For the first six months of 2004, reorganization costs were \$0.2 million consisting of \$0.3 million relating to employee termination benefits for 30 employees in Asia-Pacific and a net credit of \$0.1 million for adjustments to detailed actions taken in previous quarters. The net credit adjustments represent \$0.2 million of credits related to detailed actions taken in previous quarters for lower than anticipated costs associated with employee termination benefits (\$0.1 million in North America and \$0.1 million in Europe) and \$0.1 million of net charges related to detailed actions taken in previous quarters for higher than expected costs associated with facility consolidations (\$0.2 million charge in North America and \$0.1 million credit in Europe). For the first six months of 2003, reorganization costs were \$13.2 million consisting of a charge of \$15.4 million and credit adjustments of \$2.2 million to reflect adjustments to detailed actions taken in previous quarters. The charge of \$15.4 million included \$6.4 million employee termination benefits for approximately 630 employees (\$5.3 million for approximately 525 employees in North America, \$0.9 million for approximately 60 employees in Europe, less than \$0.1 million for approximately 10 employees in Asia-Pacific and \$0.2 million for approximately 35 employees in Latin America); \$7.4 million, primarily consisting of estimated lease exit costs in connection with closing, downsizing and consolidating facilities (\$1.6 million in North America and \$5.8 million in Europe); and \$1.6 million of other costs primarily due to contract terminations (\$1.5 million in North America and \$0.1 million in Europe). The credit adjustments represent \$0.2 million of credits related to detailed actions taken in previous quarters for lower than anticipated costs associated with employee termination benefits (\$0.1 million in North America and \$0.1 million in Europe) and \$2.0 million of credits related to detailed actions taken in previous quarters for lower than expected costs associated with facility consolidations (\$1.9 million in North America and \$0.1 million in Europe).

Income from operations as a percentage of net sales increased to 0.9% in the first six months of 2004 from 0.5% in the first six months of 2003. Our North American income from operations as a percentage of net sales increased to 0.9% in the first six months of 2004 from 0.7% in the first six months of 2003. Our European income from operations as a percentage of net sales increased to 1.2% in the first six months of 2004 compared to 0.5% in the first six months of 2003. Our Asia-Pacific income from operations as a percentage of net sales increased to 0.1% in the first six months of 2004 from less than 0.1% in the first six months of 2003. Our Latin American income from operations as a percentage of net sales increased to 0.9% in the first six months of 2004 from 0.2% in the first six months of 2003. The changes in income from operations as a percentage of net sales for the first six months of 2004 compared to the first six months of 2003 on a worldwide basis and by region are largely attributable to the same factors as discussed in the second quarters of 2004 and 2003.

Other expense (income) consisted primarily of interest, losses on sales of receivables under our accounts receivable-based facilities, foreign currency exchange losses and other non-operating gains and losses. We incurred net other expense of \$21.2 million in the second quarter of 2004 which was flat compared to the second quarter of 2003. The flat net other expense for the six months of 2004 compared to 2003 is primarily attributable to the same factors as discussed in the second quarters of 2004 and 2003.

Our effective tax rate was 32% in first six months of 2004 compared to 35% in the first six months of 2003. The decrease in the 2004 effective tax rate was primarily attributable to the change in the proportion of income estimated to be earned for each respective full year within the various taxing jurisdictions and/or tax rates applicable to such taxing jurisdictions as well as the benefits of our ongoing tax strategies.

## Management's Discussion and Analysis Continued

### Quarterly Data; Seasonality

Our quarterly operating results have fluctuated significantly in the past and will likely continue to do so in the future as a result of:

- seasonal variations in the demand for our products and services such as lower demand in Europe during the summer months and worldwide pre-holiday stocking in the retail channel during the September-to-December period;
- competitive conditions in our industry, which may impact the prices charged and terms and conditions imposed by our suppliers and/or competitors and the prices we charge our customers, which in turn may negatively impact our revenues and/or gross margins;
- currency fluctuations in the countries where we operate;
- variations in our levels of excess inventory and doubtful accounts, and changes in the terms of vendor-sponsored programs such as price protection and return rights;
- changes in the level of our operating expenses;
- the impact of acquisitions we may make;
- the impact of and possible disruptions caused by reorganization efforts, as well as the related expenses and/or charges;
- the loss or consolidation of one or more of our significant suppliers or customers;
- product supply constraints;
- interest rate fluctuations, which may increase our borrowing costs and may influence the willingness of customers and end-users to purchase products and services; and
- general economic or geopolitical conditions.

These historical variations may not be indicative of future trends in the near term. Our narrow operating margins may magnify the impact of the foregoing factors on our operating results.

### Liquidity and Capital Resources

#### *Cash Flows*

We have financed working capital needs largely through income from operations, borrowings under revolving credit and other facilities, sales of accounts receivable through established accounts receivable facilities, trade and supplier credit, and proceeds from senior subordinated notes issued in August 2001. The following is a detailed discussion of our cash flows for the first six months of 2004 and 2003.

Our cash and cash equivalents totaled \$695.4 million and \$279.6 million at July 3, 2004 and January 3, 2004, respectively.

Net cash provided by operating activities was \$486.0 million in the first six months of 2004 compared to net cash used by operating activities of \$19.0 million in the first six months of 2003. The net cash provided by operating activities in the first six months of 2004 was primarily due to decreases in accounts receivable and inventory, partially offset by a decrease in accounts payable. These reductions reflect the seasonally lower volume of business in the first six months of the year, as well as our strong working capital management. The net cash used by operating activities in the first six months of 2003 principally reflects decreases in our accrued expenses and accounts payable, partially offset by reductions of accounts receivable and inventory. The reduction of accrued expenses primarily relates to the settlement of a currency interest rate swap and payments of variable compensation and profit enhancement program costs. The reductions of accounts payable, accounts receivable and inventory largely reflect the seasonal decline in sales during the first six months of 2003.

Net cash used by investing activities was \$13.8 million in the first six months of 2004 compared to \$25.8 million in the first six months of 2003. The net cash used by investing activities in the first six months of 2004 and 2003 was primarily due to capital expenditures.

## Management's Discussion and Analysis Continued

Net cash used by financing activities was \$56.8 million in the first six months of 2004 compared to net cash provided by financing activities of \$23.2 million in the first six months of 2003. The net cash used by financing activities in the first six months of 2004 primarily reflects net repayments of our debt facilities and a decrease in our book overdrafts, partially offset by the proceeds received from the exercise of stock options. The net cash provided by financing activities in the first six months of 2003 was principally due to proceeds from debt primarily used to reduce operating liabilities, partially offset by a decrease in our book overdrafts.

### *Capital Resources*

We believe that our existing sources of liquidity, including cash resources and cash provided by operating activities, supplemented as necessary with funds available under our credit arrangements, will provide sufficient resources to meet our present and future working capital and cash requirements for at least the next twelve months.

#### *On-Balance Sheet Capital Resources*

On July 29, 2004, we entered into a new revolving accounts receivable-based financing program, which provides for up to \$500 million in borrowing capacity secured by substantially all U.S. based receivables. At our option, the program may be increased to as much as \$600 million at any time prior to July 29, 2006. This new facility expires on March 31, 2008. Based on the terms and conditions of the new program structure, financing under the program will be accounted for prospectively as a financing facility, or on-balance sheet debt.

On July 26, 2004, we amended our current trade accounts receivable program in Canada, which provides for borrowing capacity up to 150 million Canadian dollars, or approximately \$113 million. Pursuant to the amendment, we extended the program maturity to August 31, 2008, on substantially similar terms and conditions that existed prior to such amendment. However, under the new program, we obtained certain rights to repurchase transferred receivables. Based on the terms and conditions of the new program structure, financing under the program will be accounted for prospectively as on-balance sheet debt.

In June 2002, we entered into a three-year European revolving trade accounts receivable backed financing facility supported by the trade accounts receivable of one of our European subsidiaries for Euro 107 million, or approximately \$130 million, with a financial institution that has an arrangement with a related issuer of third-party commercial paper. In August 2003, we entered into another three-year European revolving trade accounts receivable backed financing facility supported by the trade accounts receivable of two other European subsidiaries for Euro 230 million, or approximately \$279 million, with the same financial institution and related issuer of third-party commercial paper. In March 2004, the terms of these agreements were amended to eliminate the minimum borrowing requirements that existed under the original agreements and remove the smaller of the two European subsidiaries from the August 2003 facility. Both of these European facilities require certain commitment fees and borrowings under both facilities incur financing costs at rates indexed to EURIBOR.

Our ability to access financing under both European facilities is dependent upon the level of eligible trade accounts receivable of two of our European subsidiaries, and the level of market demand for commercial paper. As of July 3, 2004, our actual aggregate capacity under the European programs, based on eligible accounts receivable outstanding was approximately \$383 million.

We could, however, lose access to all or part of our financing under these facilities under certain circumstances, including: (a) a reduction in credit ratings of the third-party issuer of commercial paper or the back-up liquidity providers, if not replaced or (b) failure to meet certain defined eligibility criteria for the trade accounts receivable, such as receivables must be assignable and free of liens and dispute or set-off rights. In addition, in certain situations, we could lose access to all or part of our financing with respect to the August 2003 European facility as a result of the rescission of our authorization to collect the receivables by the relevant supplier under applicable local law. Based on our assessment of the duration of these programs, the history and strength of the financial partners involved, other historical data, various remedies available to us under these programs, and the remoteness of such contingencies, we believe that it is unlikely that any of these risks will materialize in the near term. At July 3, 2004, we had no borrowings under our European facilities compared to \$20.2 million at January 3, 2004.

## Management's Discussion and Analysis Continued

We have a \$150 million revolving senior unsecured credit facility with a bank syndicate that expires in December 2005. At July 3, 2004 and January 3, 2004, we had no borrowings outstanding under this credit facility. This facility can also be used to support letters of credit. At July 3, 2004 and January 3, 2004, letters of credit totaling approximately \$17.8 million and \$63.7 million, respectively, were issued principally to certain vendors to support purchases by our subsidiaries. The issuance of these letters of credit reduces our available capacity under the agreement by the same amounts.

On August 16, 2001, we sold \$200 million of 9.875% senior subordinated notes due 2008 at an issue price of 99.382%, resulting in net cash proceeds of approximately \$195.1 million, net of issuance costs of approximately \$3.7 million.

Interest on the notes is payable semi-annually in arrears on each February 15 and August 15. We may redeem any of the notes beginning on August 15, 2005 with an initial redemption price of 104.938% of their principal amount plus accrued interest. The redemption price of the notes will be 102.469% plus accrued interest beginning on August 15, 2006 and will be 100% of their principal amount plus accrued interest beginning on August 15, 2007. In addition, on or before August 15, 2004, we may redeem an aggregate of 35% of the notes at a redemption price of 109.875% of their principal amount plus accrued interest using the proceeds from sales of certain kinds of common stock.

On August 16, 2001, we also entered into interest rate swap agreements with two financial institutions, the effect of which was to swap our fixed-rate obligation on our senior subordinated notes for a floating rate obligation equal to 90-day LIBOR plus 4.260%. All other financial terms of the interest rate swap agreements are identical to those of the senior subordinated notes, except for the quarterly payments of interest, which will be on each February 15, May 15, August 15 and November 15 and ending on the termination date of the swap agreements. These interest rate swap arrangements contain ratings conditions requiring posting of collateral by either party and at minimum increments based on the market value of the instrument and credit ratings of either party. The marked-to-market value of the interest rate swap amounted to \$16.1 million and \$20.5 million at July 3, 2004 and January 3, 2004, respectively, which is recorded in other assets with an offsetting adjustment to the hedged debt, bringing the total carrying value of the senior subordinated notes to \$215.4 million and \$219.7 million, respectively.

We also have additional lines of credit, commercial paper, short-term overdraft facilities and other credit facilities with various financial institutions worldwide, which provide for borrowing capacity aggregating approximately \$382 million at July 3, 2004. Most of these arrangements are on an uncommitted basis and are reviewed periodically for renewal. At July 3, 2004 and January 3, 2004, we had approximately \$112.5 million and \$128.3 million, respectively, outstanding under these facilities. At July 3, 2004 and January 3, 2004, letters of credit totaling approximately \$33.0 million and \$29.3 million, respectively, were also issued principally to certain vendors to support purchases by our subsidiaries. The issuance of these letters of credit reduces our available capacity under these agreements by the same amounts. The weighted average interest rate on the outstanding borrowings under these credit facilities was 5.0% and 5.2% per annum at July 3, 2004 and January 3, 2004; respectively.

### *Off-Balance Sheet Capital Resources*

We had a revolving accounts receivable securitization program in the U.S., which provides for the issuance of up to \$700 million in commercial paper secured by undivided interests in a pool of transferred receivables. In connection with this program, which was scheduled to expire in March 2005, most of our U.S. trade accounts receivable are transferred without recourse to a trust in exchange for a beneficial interest in the total pool of trade receivables. Sales of undivided interests to third parties under this program result in a reduction of total accounts receivable on our consolidated balance sheet. The excess of the trade accounts receivable transferred over amounts sold to and held by third parties at any one point in time represents our retained interest in the transferred accounts receivable and is shown on our consolidated balance sheet as a separate caption under accounts receivable. Retained interests are carried at their fair value, estimated as the net realizable value, which considers the relatively short liquidation period and includes an estimated provision for credit losses. At July 3, 2004 and January 3, 2004, the amount of undivided interests sold to and held by third parties under this U.S. program totaled \$70.0 million and \$60.0 million, respectively. Effective July 29, 2004, we early-terminated this revolving accounts receivable securitization program. On the same day, we entered into a new revolving accounts receivable-based financing program, which provides for up to \$500 million in borrowing capacity secured by substantially all U.S. based receivables (see "Capital Resources — On-Balance Sheet Capital Resources" above).

## Management's Discussion and Analysis Continued

We also have certain other revolving trade accounts receivable-based facilities in Canada and Europe, which provide up to approximately \$323 million of additional financing capacity. Our accounts receivable-based facility in Canada of approximately \$113 million was scheduled to expire in August 2004. On July 26, 2004, we amended this facility and extended the maturity to August 31, 2008. Based on the terms and conditions of our new program structure, financing under this program will be accounted for prospectively as on-balance sheet debt (see "Capital Resources — On-Balance Sheet Capital Resources"). At July 3, 2004 and January 3, 2004, there were no trade accounts receivable sold to and held by third parties under these programs.

The aggregate amount of trade accounts receivable sold to and held by third parties under the U.S., Canadian, and European programs, or off-balance sheet debt, as of July 3, 2004 and January 3, 2004 totaled \$70.0 million and \$60.0 million, respectively. The retained interest in securitized receivables remained relatively flat at July 3, 2004 compared to January 3, 2004, in line with the relatively consistent revenue level in North America.

Our financing capacity under the remaining European program is dependent upon the level of our trade accounts receivable eligible to be transferred or sold into the accounts receivable financing program. As of July 3, 2004, our actual aggregate capacity under this program, based on eligible accounts receivable outstanding, was approximately \$162 million. We believe that there are sufficient eligible trade accounts receivable to support our anticipated financing needs under the remaining European accounts receivable financing program.

### *Covenant Compliance*

We are required to comply with certain financial covenants under some of our on-balance sheet financing facilities, as well as our off-balance sheet accounts receivable-based facilities, including minimum tangible net worth, restrictions on funded debt and interest coverage and trade accounts receivable portfolio performance covenants, including metrics related to receivables and payables. We are also restricted in the amount of additional indebtedness we can incur, dividends we can pay, as well as the amount of common stock that we can repurchase annually. At July 3, 2004, we were in compliance with all covenants or other requirements set forth in our accounts receivable financing programs and credit agreements or other agreements with our financial partners discussed above.

As is customary in trade accounts receivable-based financing arrangements, a reduction in credit ratings of the third-party issuer of commercial paper or a back-up liquidity provider (which provides a source of funding if the commercial paper market cannot be accessed) could result in an adverse change in, or loss of, our financing capacity under these programs if the commercial paper issuer and/or liquidity back-up provider is not replaced. Loss of such financing capacity could have a material adverse effect on our financial condition, results of operations and liquidity. However, based on our assessment of the duration of these programs, the history and strength of the financial partners involved, other historical data, and the remoteness of such contingencies, we believe it is unlikely that any of these risks will materialize in the near term.

### *Other Matters*

In December 1998, we purchased 2,972,400 shares of common stock of SOFTBANK Corp., or Softbank, for approximately \$50.3 million. During December 1999, we sold approximately 35% of our original investment in Softbank common stock for approximately \$230.1 million, resulting in a pre-tax gain of approximately \$201.3 million, net of expenses. In January 2000, we sold an additional approximately 15% of our original holdings in Softbank common stock for approximately \$119.2 million resulting in a pre-tax gain of approximately \$111.5 million, net of expenses. In March 2002, we sold our remaining shares of Softbank common stock for approximately \$31.8 million resulting in a pre-tax gain of \$6.5 million, net of expenses. We generally used the proceeds from these sales to reduce existing indebtedness. The realized gains, net of expenses, associated with the sales of Softbank common stock in March 2002, January 2000 and December 1999 totaled \$4.1 million, \$69.3 million and \$125.2 million, respectively, net of deferred taxes of \$2.4 million, \$42.1 million and \$76.1 million, respectively (see Note 9 to our consolidated financial statements).

The Softbank common stock was sold in the public market by certain of our foreign subsidiaries, which are located in a low-tax jurisdiction. At the time of each sale, we concluded that U.S. taxes were not currently payable on the gains based on our internal assessment and opinions received from our outside advisors. However, in situations involving uncertainties in the interpretation of complex tax regulations by various taxing authorities, we provide for tax liabilities unless we consider it probable that these taxes will not be due. The level of opinions received from our outside advisors and our internal assessment did not allow us to reach that conclusion on this matter and the deferred taxes were provided accordingly. In September 2003, our U.S. Federal tax returns for 1999 were closed, which resolved the matter for U.S. Federal income tax purposes for that year. Accordingly, during the third quarter of 2003, we reversed the related Federal deferred tax liability of \$70.5 million associated with the gain on the 1999 sale, thereby reducing our income tax provision in the consolidated statement of income. Although we review our assessments in these matters on a regular basis, we cannot currently determine when the remaining deferred tax liabilities of \$2.4 million, \$42.1 million and \$5.6 million related to the 2002, 2000 and 1999 sales, respectively, will be finally resolved with the taxing authorities, or if the deferred taxes will ultimately be paid. As a result, we continue to provide for these tax liabilities. If we are successful in obtaining a favorable resolution of this matter, our tax provision would be reduced to reflect the elimination of some or all of these deferred tax liabilities.

## Management's Discussion and Analysis Continued

However, in the event of an unfavorable resolution, we believe that we will be able to fund any such taxes that may be assessed on this matter with our available sources of liquidity. Our federal tax returns for fiscal years through 1999 have been closed.

During 2002 and 2003, one of the Company's Latin American subsidiaries was audited by the Brazilian taxing authorities in relation to certain commercial taxes. As a result of this audit, the subsidiary received an assessment of Brazilian Reais 27.4 million, including interest and penalties through July 3, 2004, or approximately \$9.0 million alleging these commercial taxes were not properly remitted for the period January through September 2002. The Brazilian taxing authorities may make similar claims for periods subsequent to September 2002. It is management's opinion, based upon the opinions of outside legal advisors, that the Company has valid defenses related to this matter. Although the Company is vigorously pursuing administrative and judicial action to challenge the assessment, no assurance can be given as to the ultimate outcome. An unfavorable resolution of this matter is not expected to have a material impact on the Company's financial condition, but depending upon the time period and amounts involved it may have a material negative effect on the Company's results of operations.

### *Capital Expenditures*

We presently expect our capital expenditures not to exceed \$60 million in fiscal 2004.

## Cautionary Statements for the Purpose of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995

The matters in this Form 10-Q that are forward-looking statements, including, but not limited to, statements about competition, revenues, margins, expenses and other operating results or ratios, operating efficiencies, economic conditions, costs savings, capital expenditures, liquidity and exchange rate fluctuations, are based on our current expectations that involve certain risks, which if realized, in whole or in part, could have a material adverse effect on our business, financial condition and results of operations, including, without limitation:

- intense competition, regionally and internationally, including competition from alternative business models, such as manufacturer-to-end-user selling, which may lead to reduced prices, lower sales or reduced sales growth, lower gross margins, extended payment terms with customers, increased capital investment and interest costs, bad debt risks and product supply shortages;
- termination of a supply or services agreement with a major supplier or customer or a significant change in supplier terms or conditions of sale;
- failure of information processing or data security systems could result in significant disruption of business and/or additional costs to us;
- worsening economic conditions (particularly in purchases of technology products) and failure to adjust costs in a timely fashion in response to a sudden decrease in demand;
- losses resulting from significant credit exposure to reseller customers and negative trends in their businesses;
- delays or failure to achieve the benefits of process or organizational changes we may implement in the business;
- disruptions in business operations due to reorganization activities;
- rapid product improvement and technological change and resulting obsolescence risks;
- possible disruption in commercial activities caused by terrorist activity or armed conflict, including changes in logistics and security arrangements as a result thereof, and reduced customer demand;
- dependence on key individuals and inability to retain personnel;
- reductions in credit ratings and/or unavailability of adequate capital;
- interest rate and foreign currency fluctuations;
- adverse impact of governmental controls and actions or political or economic instability which could adversely affect foreign operations;
- failure to attract new sources of business from expansion of products or services or entry into new markets;
- inability to manage future adverse industry trends;
- difficulties and risks associated with integrating operations and personnel in acquisitions;
- future periodic assessments required by current or new accounting standards which may result in additional charges; and
- dependence on independent shipping companies.

## **Management's Discussion and Analysis Continued**

We have instituted in the past and continue to institute changes in our strategies, operations and processes to address these risk factors and to mitigate their impact on our results of operations and financial condition. However, no assurances can be given that we will be successful in these efforts. For a further discussion of significant factors to consider in connection with forward-looking statements concerning us, reference is made to Exhibit 99.01 of our Annual Report on Form 10-K for the year ended January 3, 2004; other risks or uncertainties may be detailed from time to time in our future SEC filings.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

There have been no material changes in our quantitative and qualitative disclosures about market risk for the six-month period ended July 3, 2004 from those disclosed in our Annual Report on Form 10-K for the year ended January 3, 2004. For further discussion of quantitative and qualitative disclosures about market risk, reference is made to our Annual Report on Form 10-K for the year ended January 3, 2004.

### **Item 4. Controls and Procedures**

The Company's management evaluated, with the participation of the Chief Executive Officer and Chief Financial Officer, the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report. There has been no change in the Company's internal control over financial reporting that occurred during the quarter covered by this report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

**Part II. Other Information****Item 1. Legal Proceedings**

During 2002 and 2003, one of our Latin American subsidiaries was audited by the Brazilian taxing authorities in relation to certain commercial taxes. As a result of this audit, the subsidiary received an assessment of Brazilian Reais 27.4 million, including interest and penalties through July 3, 2004, or approximately \$9.0 million alleging these commercial taxes were not properly remitted for the period January through September 2002. The Brazilian taxing authorities may make similar claims for periods subsequent to September 2002. It is management's opinion, based upon the opinions of outside legal counsel, that we have valid defenses related to this matter. Although we are vigorously pursuing administrative and judicial action to challenge the assessment, no assurance can be given as to the ultimate outcome. An unfavorable resolution of this matter is not expected to have a material impact on our financial condition, but depending upon the time period and amounts involved it may have a material negative effect on our results of operations.

**Item 2. Changes in Securities and Use of Proceeds**

Not applicable.

**Item 3. Defaults Upon Senior Securities**

Not applicable.

**Item 4. Submission of Matters to a Vote of Security Holders**

- a) The Annual Meeting of the Shareowners was held on May 25, 2004.
- b) The election of four directors was submitted for a vote at the Annual Meeting. The following table lists the individuals and the number of votes cast for, against or withheld, as well as the number of abstentions and broker non-votes, for three such individuals elected to the Board of Directors for a term of three years set to expire at the annual meeting of shareowners in 2007 (Messrs. Ingram, Smith and Wyatt) and for one such individual elected to the Board of Directors for a term of one year set to expire at the annual meeting of shareowners in 2005 (Mr. Atkins).

Nominee		Number of Votes
Orrin H. Ingram II	For	110,195,402
	Withheld/Against	29,717,237
	Abstentions	—
	Broker Non-Votes	N/A
Michael T. Smith	For	130,850,192
	Withheld/Against	9,062,447
	Abstentions	—
	Broker Non-Votes	N/A
Joe B. Wyatt	For	135,576,742
	Withheld/Against	4,335,897
	Abstentions	—
	Broker Non-Votes	N/A
Howard I. Atkins	For	137,874,608
	Withheld/Against	2,038,031
	Abstentions	—
	Broker Non-Votes	N/A

Howard I. Atkins, Kent B. Foster and Martha Ingram are directors whose terms of office expire at the annual meeting of shareowners in 2005. John R. Ingram, Dale R. Laurance, and Gerhard Schulmeyer are directors whose terms of office expire at the annual meeting of shareowners in 2006.

**Item 5. Other Information**

Not applicable.

**Item 6. Exhibits and Reports on Form 8-K**

## a) Exhibits

No.	Description
3.04	Amended and Restated By Laws of the Company, dated as of May 25, 2004
10.54	Receivables Funding Agreement, dated July 29, 2004, among General Electric Capital Corporation, Ingram Micro Inc., and Ingram Funding Inc.
10.55	Receivables Sale Agreement, dated July 29, 2004 between Ingram Micro Inc. and Ingram Funding Inc.
31.1	Certification by Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 ("SOX")
31.2	Certification by Principal Financial Officer pursuant to Section 302 of SOX
32.1	Certification by Principal Executive Officer pursuant to Section 906 of SOX
32.2	Certification by Principal Financial Officer pursuant to Section 906 of SOX

## b) Reports on Form 8-K

The Company filed Current Reports on Form 8-K during the fiscal period ended July 3, 2004 as follows:

- on April 12, 2004 the Company furnished information under Items 7 and 9 in connection with the issuance of its press release announcing that Howard I. Atkins, executive vice president and chief financial officer of Wells Fargo & Company, San Francisco, has been elected as the ninth member of its Board of Directors;
- on April 29, 2004 the Company furnished information under Items 7 and 12 in connection with the issuance of its press release announcing financial results for the quarter ended April 3, 2004; and
- on June 21, 2004, the Company furnished information under Items 7 and 9 in connection with the issuance of its press release reaffirming previously announced guidance for the fiscal quarter ended July 3, 2004.

**Signatures**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**INGRAM MICRO INC.**

By: /s/ Thomas A. Madden  
Name: Thomas A. Madden  
Title: Executive Vice President and  
Chief Financial Officer  
*(Principal Financial Officer and  
Principal Accounting Officer)*

August 12, 2004

**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description</b>
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AMENDED AND RESTATED

BYLAWS OF

INGRAM MICRO INC.

(AS OF MAY 25, 2004)

\* \* \* \* \*

ARTICLE I

OFFICES

SECTION 1. REGISTERED OFFICE. The registered office shall be in the City of Wilmington, County of New Castle, State of Delaware.

SECTION 2. OTHER OFFICES. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the Corporation may require.

SECTION 3. BOOKS. The books of the Corporation may be kept within or without the State of Delaware as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

SECTION 1. TIME AND PLACE OF MEETINGS. All meetings of stockholders shall be held at such place, either within or without the State of Delaware, on such date and at such time as may be determined from time to time by the Board of Directors (or the chief executive officer in the absence of a designation by the Board of Directors).

SECTION 2. ANNUAL MEETINGS. Annual meetings of stockholders shall be held to elect the Board of Directors and transact such other business as may properly be brought before the meeting.

SECTION 3. SPECIAL MEETINGS. Special meetings of stockholders may be called by the Board of Directors or the chairman of the Board of Directors and shall be called by the secretary at the request in writing of stockholders having at least ten percent of the outstanding voting power of the Corporation. Such request shall state the purpose or purposes of the proposed meeting.

SECTION 4. NOTICE OF MEETINGS AND ADJOURNED MEETINGS; WAIVERS OF NOTICE.

(a) Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended ("Delaware Law"), such notice shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder of record entitled to vote at such meeting. Business transacted at

any special meeting of stockholders shall be limited to the purposes stated in the notice. Unless these Bylaws otherwise require, when a meeting is adjourned to another time or place (whether or not a quorum is present), notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken; provided that if the adjournment is for more than 30 days, or after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting.

(b) A written waiver of any such notice signed by the person entitled thereto, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 5. QUORUM. Unless otherwise provided under the certificate of incorporation or these Bylaws and subject to Delaware Law, 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 the transaction of business at any meeting of the stockholders; provided that in the case of any vote to be taken by classes, the holders of a majority of the votes entitled to be cast by the stockholders of a particular class shall constitute a quorum for the transaction of business by such class.

#### SECTION 6. VOTING.

(a) Unless otherwise provided by Delaware Law or by the certificate of incorporation, each stockholder of record of any class or series of capital stock of the Corporation shall be entitled to such number of votes for each share of such stock as may be fixed in the certificate of incorporation or in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such stock.

(b) Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to a corporate action in writing without a meeting may authorize another person or persons to act for him by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period.

(c) Unless otherwise provided by Delaware Law, the certificate of incorporation or these Bylaws, the affirmative vote of shares of capital stock of the Corporation representing a majority of the outstanding voting power of the Corporation present, in person or by proxy, at a meeting of stockholders and entitled to vote on the subject matter shall be the act of the stockholders.

#### SECTION 7. ACTION BY CONSENT.

(a) Unless otherwise provided in the certificate of incorporation, any action required to be taken at any special meeting of stockholders, or any action which may be taken at any special meeting of stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding capital stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Prompt notice of the taking of the

corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

(b) Every written consent shall bear the date of signature of each stockholder who signs the consent, and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest dated consent delivered to the Corporation in the manner required by this Section 7 of Article II and Delaware Law, written consents signed by a sufficient number of holders to take action are delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

SECTION 8. ORGANIZATION. At each meeting of stockholders, the chairman of the Board of Directors, if one shall have been elected (or in his absence or if one shall not have been elected, the chief executive officer), shall act as chairman of the meeting. The secretary (or in his absence or inability to act, the person whom the chairman of the meeting shall appoint secretary of the meeting) shall act as secretary of the meeting and keep the minutes thereof.

SECTION 9. ORDER OF BUSINESS. The order of business at all meetings of stockholders shall be as determined by the chairman of the meeting.

### ARTICLE III

#### DIRECTORS

SECTION 1. GENERAL POWERS. Except as otherwise provided in Delaware Law or the certificate of incorporation, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. Each member of the Board of Directors, and all committees of the Board of Directors, shall have at all times full access to the books and records of the Corporation and all minutes of stockholder, Board of Directors and committee meetings, proceedings and actions. Each member of the Board of Directors shall have the right to add items to any agenda for a meeting of the Board of Directors.

SECTION 2. NUMBER, ELECTION AND TERM OF OFFICE. The number of directors which shall constitute the whole Board of Directors shall be fixed from time to time by resolution of the Board of Directors but shall in no event be less than eight nor more than ten. At a time when eight directors comprise the Board of Directors, the Board of Directors may be expanded up to ten members, in accordance with Delaware Law and the certificate of incorporation, by the affirmative vote of a majority of the eight or nine directors, as the case may be. Such ninth and tenth directors shall be nominated by a majority of the Nominating Committee. After the initial qualification and election of such ninth and tenth directors as set forth in this Section 2 of Article III, any vacancy created by the death, disability, resignation or removal of such director shall be filled pursuant to Section 12 of this Article III. Except as provided in this Section 2 or Section 12 of this Article III, directors shall be elected at annual meetings of the stockholders in accordance with the schedule set forth in Article Eighth(c) of the Corporation's certificate of incorporation and in accordance with Delaware Law, and each director so elected shall hold office for a term as set forth in Article Eighth(c) of the Corporation's certificate of incorporation.

#### SECTION 3. QUORUM AND MANNER OF ACTING.

(a) Unless the certificate of incorporation or these Bylaws require a greater number, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business, and the affirmative vote of a majority of the entire Board of Directors shall be the act of the Board of Directors.

(b) When a meeting is adjourned to another time or place (whether or not a quorum is present), notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Board of Directors may transact any business which might have been transacted at the original meeting. If a quorum shall not be present at any meeting of the Board of Directors the directors present thereat may adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

SECTION 4. TIME AND PLACE OF MEETINGS. The Board of Directors shall hold its meetings at such place, either within or without the State of Delaware, and at such time as may be determined from time to time by the Board of Directors (or the chief executive officer in the absence of a determination by the Board of Directors).

SECTION 5. ANNUAL MEETING. The Board of Directors shall meet for the purpose of organization, the election of officers and the transaction of other business, as soon as practicable after each annual meeting of stockholders and, if practicable, on the same day and at the same place where such annual meeting shall be held. Notice of such meeting need not be given. In the event such annual meeting is not so held, the annual meeting of the Board of Directors may be held at such place either within or without the State of Delaware, on such date and at such time as shall be specified in a notice thereof given as hereinafter provided in Section 7 of this Article III or in a waiver of notice thereof signed by any director who chooses to waive the requirement of notice.

SECTION 6. REGULAR MEETINGS. After the place and time of regular meetings of the Board of Directors shall have been determined and notice thereof shall have been once given to each member of the Board of Directors, regular meetings may be held without further notice being given.

SECTION 7. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the chief executive officer and shall be called by the secretary on the written request of three directors. Notice of special meetings of the Board of Directors shall be given to each director at least three days before the date of the meeting in such manner as is determined by the Board of Directors.

#### SECTION 8. COMMITTEES.

(a) The Board of Directors shall have at least four committees with the designations, qualifications, powers and composition set forth in this Section 8 of Article III, which four committees shall be: (i) an Executive and Finance Committee, (ii) a Governance Committee, (iii) a Human Resources Committee, and (iv) an Audit Committee. Unless the certificates of incorporation or these Bylaws require a greater number, a majority of the members of the respective committee shall constitute a quorum for the transaction of business, and the affirmative vote of a majority of the entire number of directors that constitute any such committee shall be the act of the respective committee. The composition of each committee shall comply with all applicable requirements of the Securities and Exchange Commission and any securities exchange or inter-dealer quotation system on which shares of the Corporation's common stock are listed or quoted.

(b) The Executive and Finance Committee shall consist of three or more directors. During the period of time between each regularly scheduled meeting of the Board of Directors, management decisions requiring the immediate attention of the Board of Directors may be made with the approval of a majority of the members of the Executive and Finance Committee; provided, however, that the Executive and Finance Committee shall not have the authority to approve any of the following items, all of which require the approval of the Board of Directors: (i) any action that would require approval of a majority of the outstanding voting power held by the stockholders entitled to vote thereon at any annual or special

meeting under applicable law or under the certificate of incorporation or Bylaws of the Corporation (provided, however, that subject to applicable law, the Board of Directors shall be entitled to delegate to the Executive and Finance Committee the authority to negotiate and finalize actions, the general terms of which have been approved by the Board of Directors); (ii) any acquisition with a total aggregate consideration in excess of 2% of the Corporation's stockholders' equity calculated in accordance with generally accepted accounting principles for the most recent fiscal quarter for which financial information is available (after taking into account the amount of any indebtedness to be assumed or discharged by the Corporation or any of its subsidiaries and any amounts required to be contributed, invested or borrowed by the Corporation or any of its subsidiaries); (iii) any action outside of the ordinary course of business of the Corporation; or (iv) any other action involving a material shift in policy or business strategy for the Corporation. In addition to the provisions hereof, the provisions of the Corporation's Executive and Finance Committee Charter, as in effect from time to time, shall govern the Executive and Finance Committee.

(c) The Governance Committee shall consist of three or more directors. The Governance Committee shall make all nominations of persons for election to the Board of Directors. The Governance Committee shall also recommend and nominate for consideration by the Board of Directors, the directors to serve on the Board committees. Subject to the provisions of this Section 8(c), the Board of Directors shall appoint the Governance Committee. The Governance Committee shall fulfill such other roles, with respect to the filling of vacancies and otherwise, as are set forth in these Bylaws. In addition to the provisions hereof, the provisions of the Corporation's Governance Committee Charter, as in effect from time to time, shall govern the Governance Committee.

(d) The Human Resources Committee shall consist of three or more directors. The Human Resources Committee shall establish the compensation of all executive officers of the Corporation and shall administer all stock option, purchase and equity incentive plans. In addition, it shall annually prepare a report to stockholders for inclusion in the Corporation's proxy statement for its annual meeting of stockholders covering the matters required by the Securities and Exchange Commission. In addition to the provisions hereof, the provisions of the Corporation's Human Resources Committee Charter, as in effect from time to time, shall govern the Human Resources Committee.

(e) The Audit Committee shall consist of three or more directors. The Audit Committee shall have the primary responsibility to: (i) recommend to the Board of Directors the firm to be employed by the Corporation as its independent auditor, (ii) consult with the independent auditors with regard to the plan of audit, (iii) review (in consultation with the independent auditors) the report of audit or proposed report and the accompanying management letter of the independent auditors, (iv) consult with the independent auditors periodically, as appropriate, out of the presence of management, with regard to the adequacy of the internal controls and, if need be, to consult also with the internal auditors, and (v) annually prepare a report to stockholders for inclusion in the Corporation's proxy statement for its annual meeting of stockholders covering the matters required by the Securities and Exchange Commission. In addition to the provisions hereof, the provisions of the Corporation's Audit Committee Charter, as in effect from time to time, shall govern the Audit Committee.

(f) No committee of the Board of Directors shall have the power or authority in reference to amending the certificate of incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution, amending the Bylaws of the Corporation, or authorizing any action required pursuant to these Bylaws to be authorized or approved by a majority of the entire Board of Directors; and unless the resolution of the Board of Directors, the certificate of incorporation or these Bylaws expressly so provide, no such committee shall have the power or authority to declare a dividend or to authorize the

issuance of capital stock by the Corporation. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

(g) The Board of Directors may, by resolution passed by a majority of the entire Board of Directors, designate one or more additional committees, each such committee to consist of one or more directors of the Corporation. Any such additional committee, to the extent provided in the resolution of the Board of Directors and subject to Section 8(f) of this Article III, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers which may require it. Notwithstanding the foregoing, no committee designated by the Board of Directors pursuant to this Section 8(g) shall have powers or authority which conflict with or impinge or encroach upon the powers and authority granted to the committees designated in Sections 8(b), 8(c), 8(d) or 8(e) of this Article III.

SECTION 9. ACTION BY CONSENT. Unless otherwise restricted by the certificate of incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

SECTION 10. TELEPHONIC MEETINGS. Unless otherwise restricted by the certificate of incorporation or these Bylaws, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or such committee, as the case may be, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

SECTION 11. RESIGNATION. Any director may resign at any time by giving written notice to the Board of Directors or to the secretary of the Corporation. The resignation of any director shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 12. VACANCIES. Unless otherwise provided in the certificate of incorporation, if, as a result of the death, disability, resignation or removal of a director, a vacancy is created on the Board of Directors, the vacancy shall be filled by a person nominated by the Governance Committee and approved by a majority of the entire Board of Directors then in office. If such vacancy on the Board of Directors also creates a vacancy on any committee thereof, the Governance Committee shall appoint such replacement director elected in accordance with Sections 8 and 11 of this Article III to fill the committee position or positions held by his or her predecessor. If the Board of Directors so determines, an election of directors may be held in accordance with these Bylaws and Delaware Law.

Unless otherwise provided in the certificate of incorporation, a vacancy created on the Board of Directors as a result of the increase in the number of directors to nine or ten as provided in Section 2 of this Article III may be filled in each case in a manner consistent with the provisions of Sections 2, 3 and 12 of this Article III.

SECTION 13. REMOVAL. Any director or the entire Board of Directors may be removed, with or without cause, at any time by the affirmative vote of the holders of a majority of the outstanding voting power of all of the shares of capital stock of the Corporation then entitled to vote generally for the election of directors, voting together as a single class, and the vacancies thus created shall be filled in accordance with Section 12 of this Article III. A committee member shall be subject to removal from his or her position as a committee member by the affirmative vote of a majority of the members of the

Governance Committee, and the vacancies thus created shall be filled in accordance with Sections 8 and 12 of this Article III.

SECTION 14. COMPENSATION. Unless otherwise restricted by the certificate of incorporation or these Bylaws, the Board of Directors shall have authority to fix the compensation of directors, including fees and reimbursement of expenses.

#### ARTICLE IV

##### OFFICERS

SECTION 1. PRINCIPAL OFFICERS. The principal officers of the Corporation shall be a chief executive officer who shall have the power, among other things, to appoint regional officers of the Corporation, one or more presidents, one or more vice presidents, a treasurer and a secretary who shall have the duty, among other things, to record the proceedings of the meetings of stockholders and directors in a book kept for that purpose. The Corporation may also have such other principal officers, including a chairman, a vice chairman or one or more controllers, as the Board of Directors may in its discretion appoint. One person may hold the offices and perform the duties of any two or more of said offices, except that no one person shall hold the offices and perform the duties of president and secretary.

SECTION 2. ELECTION, TERM OF OFFICE AND REMUNERATION. The Board of Directors at the annual meeting thereof shall elect the principal officers of the Corporation annually. Each such officer shall hold office until his successor is elected and qualified, or until his earlier death, disability, resignation or removal. The Board of Directors shall fix the remuneration of all officers of the Corporation. Any vacancy in any office shall be filled in such manner, as the Board of Directors shall determine.

SECTION 3. SUBORDINATE OFFICERS. In addition to the principal officers enumerated in Section 1 of this Article IV, the Corporation may have one or more assistant treasurers, assistant secretaries and assistant controllers and such other subordinate officers, agents and employees as the Board of Directors may deem necessary, each of whom shall hold office for such period as the Board of Directors may from time to time determine. The Board of Directors may delegate to any principal officer the power to appoint and to remove any such subordinate officers, agents or employees.

SECTION 4. REMOVAL. Except as otherwise permitted with respect to subordinate officers, the Board of Directors may remove any officer, with or without cause, at any time.

SECTION 5. RESIGNATIONS. Any officer may resign at any time by giving written notice to the Board of Directors (or to a principal officer if the Board of Directors has delegated to such principal officer the power to appoint and to remove such officer). The resignation of any officer shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6. POWERS AND DUTIES. The officers of the Corporation shall have such powers and perform such duties incident to each of their respective offices and such other duties as may from time to time be conferred upon or assigned to them by the Board of Directors.

ARTICLE V  
GENERAL PROVISIONS

SECTION 1. FIXING THE RECORD DATE.

(a) In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by Delaware Law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by Delaware Law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

SECTION 2. DIVIDENDS. Subject to limitations contained in Delaware Law and the certificate of incorporation, the Board of Directors may declare and pay dividends upon the shares of capital stock of the Corporation, which dividends may be paid either in cash, in property or in shares of the capital stock of the Corporation.

SECTION 3. FISCAL YEAR. The fiscal year of the Corporation shall commence on the day following the end of the preceding fiscal year of the Corporation and end on the Saturday nearest December 31 of each year.

SECTION 4. CORPORATE SEAL. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed, affixed or otherwise reproduced.

SECTION 5. VOTING OF STOCK OWNED BY THE CORPORATION. The Board of Directors may authorize any person, on behalf of the Corporation, to attend, vote at and grant proxies to be used at any meeting of stockholders of any corporation (except this Corporation) in which the Corporation may hold stock.

SECTION 6. AMENDMENTS. At any time, (a) the stockholders may alter, amend, restate or repeal these Bylaws or any of them, or make new bylaws, by the affirmative vote of a majority of the votes entitled to be cast thereon at any annual or special meeting and (b) the Board of Directors may alter, amend, restate or repeal these Bylaws or any of them, or make new bylaws, by the affirmative vote of a majority of the members of the entire Board of Directors.

RECEIVABLES FUNDING AGREEMENT

Dated as of July 29, 2004

by and among

INGRAM FUNDING INC.,

as Borrower,

INGRAM MICRO INC.,

as Servicer,

and

GENERAL ELECTRIC CAPITAL CORPORATION,

as Lender

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## EXHIBITS

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Exhibit 2.02(a)	Form of Commitment Reduction Notice
Exhibit 2.02(b)	Form of Commitment Termination Notice
Exhibit 2.02(c)	Form of Commitment Increase Notice
Exhibit 2.03(a)	Form of Borrowing Request
Exhibit 2.03(c)	Form of Repayment Notice
Exhibit 2.06(c)	Notice of Conversion/Continuation
Exhibit 5.02(b)	Form of Borrowing Base Certificate
Exhibit 10.03	Form of Power of Attorney
Exhibit A	Credit and Collection Policy
Schedule 4.01(c)	Jurisdiction of Organization; Organizational Identification Numbers; Executive Offices; Collateral Locations
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Annex W	Borrower Account
Annex X	Definitions
Annex Y	Schedule of Documents
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THIS RECEIVABLES FUNDING AGREEMENT (as amended, supplemented or otherwise modified and in effect from time to time, the "Agreement") is entered into as of July 29, 2004 by and among INGRAM FUNDING INC., a Delaware corporation (the "Borrower"), INGRAM MICRO INC., a Delaware corporation, in its capacity as servicer hereunder (in such capacity, the "Servicer"), and GENERAL ELECTRIC CAPITAL CORPORATION, a Delaware corporation (the "Lender").

#### RECITALS

A. The Borrower is a corporation the sole shareholder of which is the Parent.

B. The Borrower intends to purchase, or otherwise acquire by capital contribution, Receivables and other Receivable Assets related thereto of the Originators party to the Sale Agreement.

C. The Borrower intends to fund its purchases of the Receivables and other Receivable Assets, in part, by borrowing Advances hereunder and pledging all of its right, title and interest in and to the Receivables and other Receivable Assets as security therefor, and, subject to the terms and conditions hereof, the Lender intends to make such Advances, from time to time, as described herein.

D. In order to effectuate the purposes of this Agreement, the Lender desires to appoint Ingram Micro Inc. to service, administer and collect the Receivables securing the Advances pursuant to this Agreement and Ingram Micro Inc. is willing to act in such capacity as Servicer hereunder on the terms and conditions set forth herein.

#### AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

#### ARTICLE I.

##### DEFINITIONS AND INTERPRETATION

Section 1.01. Definitions. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in Annex X.

Section 1.02. Rules of Construction. For purposes of this Agreement, the rules of construction set forth in Annex X shall govern. All Appendices hereto, or expressly identified to this Agreement, are incorporated herein by reference and, taken together with this Agreement, shall constitute but a single agreement.

ARTICLE II.

AMOUNTS AND TERMS OF ADVANCES

Section 2.01. Advances.

(a) From and after the Effective Date and until the Commitment Termination Date and subject to the terms and conditions hereof, the Lender agrees to make advances (each such advance hereunder, an "Advance") to the Borrower from time to time. The Outstanding Principal Amount shall not at any time exceed the Commitment. Under no circumstances shall the Lender make any Advance if, after giving effect thereto, a Funding Excess would exist. The Borrower may from time to time borrow, repay and reborrow Advances hereunder on the terms and conditions set forth herein.

(b) The Borrower shall execute and deliver to the Lender a note to evidence the Advances which may be made hereunder from time to time. Such note shall be in the principal amount of the Commitment and substantially in the form of Exhibit 2.01(b) (the "Revolving Note"). The Revolving Note shall represent the obligation of the Borrower to pay the amount of the Lender's Commitment or, if less, the aggregate unpaid principal amount of all outstanding Advances made by the Lender to the Borrower, together with interest thereon as prescribed in Section 2.06. The Outstanding Principal Amount of Advances and all other accrued and unpaid Borrower Obligations shall be immediately due and payable in full in immediately available funds on the Commitment Termination Date.

Section 2.02. Optional Changes in Commitment.

(a) So long as no Incipient Termination Event or Termination Event shall have occurred and be continuing, the Borrower may, not more than twice during each calendar year, reduce the Commitment permanently; provided, that (i) the Borrower shall give ten Business Days' prior written notice of any such reduction to the Lender substantially in the form of Exhibit 2.02(a) (each such notice, a "Commitment Reduction Notice"), (ii) any partial reduction of the Commitment shall be in a minimum amount of \$5,000,000 or an integral multiple thereof, and (iii) no such partial reduction shall reduce the Commitment below the greater of (x) the Outstanding Principal Amount at such time and (y) \$50,000,000.

(b) The Borrower may, at any time, on at least 30 days' prior written notice by the Borrower to the Lender, irrevocably terminate the Commitment; provided, that (i) such notice of termination shall be substantially in the form of Exhibit 2.02(b) (the "Commitment Termination Notice"), and (ii) the Borrower shall reduce the Outstanding Principal Amount to zero and make all payments required by Section 2.03(c) at the time and in the manner specified therein. Upon such termination, the Borrower's right to request that the Lender make Advances hereunder shall simultaneously terminate and the Commitment Termination Date shall automatically occur.

(c) So long as no Incipient Termination Event or Termination Event shall have occurred and be continuing, the Borrower may, at any time during the period from and after the Effective Date to and including July 29, 2006, increase the Commitment to an amount up to

\$600,000,000; provided, that (i) the Borrower shall give thirty (30) days' prior written notice of any such increase to the Lender substantially in the form of Exhibit 2.02(c) (the "Commitment Increase Notice") and (ii) prior to any such increase being effective, the Borrower shall pay to the Lender a fee in an amount equal to the product of (x) the amount by which the Commitment is being increased and (y) the percentage specified as the Commitment Increase Fee Percentage in the Fee Letter.

(d) Each written notice required to be delivered pursuant to Sections 2.02(a), (b) or (c) shall be irrevocable and shall be effective (i) on the day of receipt if received by the Lender not later than 4:00 p.m. (California time) on any Business Day and (ii) on the immediately succeeding Business Day if received by the Lender after such time on such Business Day or if any such notice is received on a day other than a Business Day (regardless of the time of day such notice is received). Each such notice of reduction or increase shall specify, respectively, the amount of the proposed reduction in, or the amount of the proposed increase in, the Commitment.

#### Section 2.03. Procedures for Making Advances.

(a) Borrowing Requests. Each Advance shall be made upon notice by the Borrower to the Lender in the manner provided herein. Any such notice must be given in writing so that it is received no later than (1) 10:00 a.m. (California time) on the Business Day of the proposed Advance Date set forth therein in the case of an Index Rate Advance or (2) 10:00 a.m. (California time) on the date which is three (3) Business Days prior to the proposed Advance Date set forth therein in the case of a LIBOR Rate Advance. Each such notice (a "Borrowing Request") shall (i) be substantially in the form of Exhibit 2.03(a), (ii) be irrevocable and (iii) specify the amount of the requested Advance (which shall be in a minimum amount of \$250,000) and the proposed Advance Date (which shall be a Business Day), and shall include such other information as may be required by the Lender. If the Borrower requests LIBOR Rate Advances, it must comply with Section 2.06(c).

(b) Advances; Payments. Subject to the terms hereof (including, without limitation, the satisfaction of the conditions precedent set forth in Section 3.02), the Lender shall make available to the Borrower by deposit into the Borrower Account on the Advance Date therefor, the lesser of (x) the amount of the requested Advance and (y) the Funding Availability. All payments by the Lender under this Section 2.03(b) shall be made without setoff, counterclaim or deduction of any kind.

(c) Principal Repayments. The Borrower may at any time repay outstanding Advances hereunder; provided that (i) the Borrower shall give written notice of any such repayment to the Lender substantially in the form of Exhibit 2.03(c) (each such notice, a "Repayment Notice"), (ii) each such notice shall be irrevocable, (iii) each such notice shall specify the amount of the requested repayment and the proposed date of such repayment (which shall be a Business Day) and (iv) any such repayment must be accompanied by payment of (A) all interest accrued and unpaid on the portion of the Outstanding Principal Amount being repaid through but excluding the date of such repayment and (B) any amounts required to be paid in accordance with Section 2.10, if any. Any such notice of repayment must be received by the

Lender no later than 10:00 a.m. (California time) on the date of the proposed repayment; provided, further, that the foregoing requirements shall not apply to repayment of the outstanding principal amount of Advances as a result of the application of amounts on deposit in the Collection Account pursuant to Section 2.08.

Section 2.04. Pledge of Transferred Receivables and other Receivable Assets. The Borrower shall indicate in its master database of Receivables that the Transferred Receivables have been pledged hereunder and that the Lender has a lien on and security interest in all such Transferred Receivables. The Borrower and the Servicer shall hold all Contracts and other documents relating to such Transferred Receivables in trust for the benefit of the Lender. The Borrower and the Servicer hereby acknowledge that their retention and possession of such Contracts and documents shall at all times be at the sole discretion of the Lender and in a custodial capacity for the Lender's benefit only.

Section 2.05. Commitment Termination Date. Notwithstanding anything to the contrary set forth herein, the Lender shall not have any obligation to make any Advances from and after the Commitment Termination Date.

Section 2.06. Interest; Charges.

(a) The Borrower shall pay interest to the Lender, with respect to each Advance made or maintained by it, in arrears on each applicable Interest Payment Date, (i) for each LIBOR Rate Advance, at the applicable LIBOR Rate for the relevant LIBOR Period then ending, and (ii) for all of the Index Rate Advances outstanding from time to time, at the applicable Index Rate as in effect from time to time during the immediately preceding calendar month, based on the aggregate outstanding amount of Index Rate Advances outstanding from time to time during such month. Interest for each LIBOR Rate Advance or Index Rate Advance shall be calculated based upon actual days elapsed during the related LIBOR Period, with respect to each LIBOR Rate Advance, or during the applicable calendar month, with respect to each Index Rate Advance, for a 360 day year based upon actual days elapsed since the last Interest Payment Date. Anything herein to the contrary notwithstanding, the Borrower and the Lender hereby agree that until such time as the parties hereto agree otherwise, each Advance made hereunder shall be an Index Rate Advance.

(b) So long as any Termination Event shall have occurred and be continuing, the interest rates applicable to each Advance and any other unpaid Borrower Obligation hereunder shall be increased by two percent (2.0%) per annum (such increased rate, the "Default Rate"), and all outstanding Borrower Obligations shall bear interest at the applicable Default Rate from the date of such Termination Event until such Termination Event is waived or cured.

(c) So long as no Incipient Termination Event or Termination Event shall have occurred and be continuing, and subject to the additional conditions precedent set forth in Section 3.02, the Borrower shall have the option to (i) request that any Advance be made as an Index Rate Advance or as a LIBOR Rate Advance, (ii) convert at any time all or any part of the outstanding Advances from Index Rate Advances to LIBOR Rate Advances, (iii) convert at any time all or any part of the outstanding LIBOR Rate Advances to Index Rate Advances, subject to

payment of Breakage Costs in accordance with Section 2.10 if such conversion is made prior to the expiration of the LIBOR Period applicable thereto, or (iv) continue all or any portion of the LIBOR Rate Advances upon the expiration of the applicable LIBOR Period, in which case the succeeding LIBOR Period of those continued LIBOR Rate Advances shall commence on the last day of the LIBOR Period of the LIBOR Rate Advances to be continued. Any Advances to be made or continued as, or converted into, LIBOR Rate Advances must be in an aggregate amount equal to \$1,000,000 or an integral multiple of \$500,000 in excess of \$1,000,000. Any such election must be made by 10:00 a.m. (California time) on (A) the third (3rd) Business Day prior to (1) the date of any proposed LIBOR Rate Advances, (2) the end of each LIBOR Period with respect to any LIBOR Rate Advances to be continued as such, or (3) the date on which Borrower wishes to convert any Index Rate Advances to LIBOR Rate Advances for a LIBOR Period designated by the Borrower in such election, or (B) the Business Day of any proposed Advances which are to bear interest at the Index Rate. If no election is received with respect to any LIBOR Rate Advances by 10:00 a.m. (California time) on the third (3rd) Business Day prior to the end of the LIBOR Period with respect thereto (or if an Incipient Termination Event or a Termination Event shall have occurred and be continuing or the additional conditions precedent set forth in Section 3.02 shall not have been satisfied), those LIBOR Rate Advances shall be converted to Index Rate Advances at the end of the applicable LIBOR Period. The Borrower must make each such election by notice to the Lender in writing, by telecopy or overnight courier. In the case of any conversion or continuation, such election must be made pursuant to a written notice (a "Notice of Conversion/Continuation") in the form of Exhibit 2.06(c).

(d) The Lender is authorized to, and at its sole election may, charge to the Borrower as Advances and cause to be paid all Fees, expenses, charges, costs, interest and principal, other than principal of the Advances, owing by the Borrower under this Agreement or any of the other Related Documents if and to the extent the Borrower fails to pay any such amounts as and when due, and any charges so made shall constitute part of the Outstanding Principal Amount hereunder even if such charges would cause the aggregate balance of the Outstanding Principal Amount to exceed the Borrowing Base.

#### Section 2.07. Fees.

(a) On the Effective Date, the Borrower shall pay to the Lender the fees set forth in the Fee Letter that are payable on the Effective Date.

(b) From and after the Effective Date, as additional compensation for the Lender, the Borrower agrees to pay to the Lender, monthly in arrears, on the first Business Day of each month prior to the Commitment Termination Date and on the Commitment Termination Date, the Unused Commitment Fee.

(c) On each Settlement Date, and with respect to the immediately preceding Settlement Period, the Borrower shall pay to the Servicer or to the Successor Servicer, as applicable, the aggregate Servicing Fee for each day during the relevant Settlement Period or the Successor Servicing Fees and Expenses, respectively, in each case to the extent of available funds therefor.

Section 2.08. Application of Funds in Collection Account; Time and Method of Payments.

(a) Each Index Rate Advance shall mature, and be payable, on the earlier of (i) the date funds are allocated to such Index Rate Advance pursuant to clause (iii) of the following subsection (b) (and in such case only to the extent of the funds so allocated), and (ii) the Commitment Termination Date (in which case such Index Rate Advance shall be payable in full). Each LIBOR Rate Advance shall mature, and be payable in full, on the earliest of (1) the date on which funds are allocated therefor pursuant to clause (iv) of the following subsection (b), (2) the last day of the LIBOR Period with respect thereto (unless such LIBOR Rate Advance is converted or continued in compliance with the terms hereof) and (3) the Commitment Termination Date (in which case such LIBOR Rate Advance shall be payable in full).

(b) On each Business Day, the Lender shall allocate amounts on deposit in the Collection Account on such day as follows:

(i) first, to the extent then due and payable, to the payment of all Fees accrued and unpaid through such date and all unreimbursed expenses of the Lender which are reimbursable pursuant to the terms hereof, including, without limitation, the expenses of the Lender reimbursable under Section 14.04;

(ii) second, if such Business Day is an Interest Payment Date for any Advances, to the payment of interest accrued through such date with respect to such Advances;

(iii) third, to the payment of the outstanding principal balance of the Advances which constitute Index Rate Advances;

(iv) fourth, to the payment of the outstanding principal balance of Advances which constitute LIBOR Rate Advances together with amounts payable with respect thereto under Section 2.10; and

(v) fifth, to the extent then due and payable, to the payment of all other obligations of the Borrower accrued and unpaid hereunder.

On any such Business Day on which funds on deposit in the Collection Account are allocated pursuant to the foregoing, the Lender shall withdraw the funds so allocated and pay the same to the parties entitled thereto. To the extent that on any Business Day funds remain in the Collection Account unallocated after application of the foregoing clauses (i) through (v), such remaining funds shall be remitted to the Borrower Account.

(c) On each Interest Payment Date with respect to Index Rate Advances, the Lender shall withdraw funds allocated on such Interest Payment Date pursuant to clause (ii) of the foregoing subsection (b), and apply the same in payment of accrued and unpaid interest on the Index Rate Advances. On each Interest Payment Date with respect to LIBOR Rate Advances, the Lender shall withdraw funds allocated on such Interest Payment Date pursuant to clause (ii) of the foregoing subsection (b), and apply the same in payment of accrued and unpaid

interest on such LIBOR Rate Advances. On each Business Day on which any other amounts are payable hereunder or under any other Related Document, the Lender shall withdraw funds allocated on such Business Day pursuant to clause (i) or clause (v) of the foregoing subsection (b), and pay the same, pro rata, to such Persons as may be entitled to receive such amounts pursuant to the terms hereof or of any other Related Document. To the extent that amounts on deposit in the Collection Account on any day are insufficient to pay amounts due on such day in respect of the matured portion of any Advances or any interest, Fees or any other amounts due and payable by the Borrower hereunder, the Borrower shall pay, upon notice from the Lender received prior to 10:00 a.m. (California time), the amount of such insufficiency to the Lender in Dollars, in immediately available funds (for the account of the Lender or the applicable Affected Parties or Indemnified Persons) not later than 1:00 p.m. (California time) on such day. Any such payment made on such date but after such time shall be deemed to have been made on, and interest shall continue to accrue and be payable thereon at the LIBOR Rate (in the case of LIBOR Rate Advances) or the Index Rate (in all other cases) until, the next succeeding Business Day.

(d) The Borrower hereby irrevocably waives the right to direct the application of any and all payments received from or on behalf of the Borrower, and the Borrower hereby irrevocably agrees that any and all such payments shall be applied by the Lender in accordance with this Section 2.08.

(e) All payments of principal of the Advances and all payments of interest, Fees and other amounts payable by the Borrower hereunder shall be made in Dollars, in immediately available funds. If any such payment becomes due on a day other than a Business Day, the maturity thereof will be extended to the next succeeding Business Day (except as set forth in the definition of LIBOR Period) and interest thereon at the LIBOR Rate (in the case of LIBOR Rate Advances) or Index Rate (in all other cases) shall be payable during such extension. Payments received prior to 12:00 Noon (California time) on any Business Day shall be deemed to have been received on such Business Day. Payments received after 12:00 Noon (California time) on any Business Day or on a day that is not a Business Day shall be deemed to have been received on the following Business Day.

(f) All payments made by the Borrower under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority with respect to any payment by the Borrower ("Taxes"), excluding Taxes imposed (i) on the net income or franchise taxes imposed on the net income (or in lieu of net income) of the Lender by (A) the United States or any political subdivision or taxing authority thereof or therein, or (B) any jurisdiction under the laws of which the Lender is organized or in which its lending office is located, managed or controlled or in which its principal office is located or any political subdivision or taxing authority thereof or therein or (ii) as a result of a present or former connection between the Lender and the governmental authority imposing such tax other than as a result of this Agreement or any transaction hereunder (the Taxes referred to in the foregoing clauses (i) and (ii) individually or collectively being referred to as "Excluded Taxes" and any and all other Taxes, collectively or individually, being referred to

as "Non-Excluded Taxes"). If any such Non-Excluded Taxes are required to be withheld from any amounts payable to the Lender hereunder, the Borrower shall pay additional amounts to the Lender to the extent necessary to yield to the Lender (after giving effect to all deductions and withholdings in respect of Non-Excluded Taxes, including Non-Excluded Taxes upon or in respect of such additional amounts) interest or any such other amounts payable hereunder at the rates or in the amounts otherwise specified in this Agreement. Whenever any Non-Excluded Taxes are payable by the Borrower, as promptly as possible thereafter the Borrower shall send to the Lender a certified copy of any original official receipt received by the Borrower showing payment thereof or any other proof reasonably acceptable to the Lender. In addition, the Borrower agrees to pay any and all present or future stamp or documentary taxes and any other excise or property taxes or charges or similar levies that arise from any payment made under this Agreement or from the execution or delivery of, or otherwise with respect to, this Agreement (collectively, "Other Taxes"). The Borrower agrees to indemnify the Lender for the full amount of any Non-Excluded Taxes and Other Taxes paid by the Lender and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto other than any penalties, interest or expense to the extent arising from the failure of the Lender to pay such Non-Excluded Taxes or other Taxes on a timely basis. If the Borrower fails to pay any Non-Excluded Taxes when due to the appropriate taxing authority or fails to remit to the Lender the required receipts or any other proof reasonably acceptable to the Lender, the Borrower shall indemnify the Lender for any incremental taxes, interest or penalties that may become payable by the Lender as a result of any such failure. If the Lender shall become aware that it is entitled to receive a refund or other tax credit or benefit in respect of any Non-Excluded Taxes, it shall promptly notify the Borrower thereof and, in the case of a refund, shall within 30 days after receipt of a request by the Borrower, apply for such refund at the Borrower's expense. If the Lender receives a refund or the benefit of a refund in respect of any Non-Excluded Taxes for which the Borrower has made a payment hereunder, it shall promptly notify the Borrower thereof and shall promptly repay such refund or the amount of the benefit derived from such refund, as the case may be, to the Borrower without interest and net of any expenses incurred, except to the extent interest shall have explicitly accompanied such refund; provided that the Borrower, upon the request of the Lender, agrees to return the amount paid in respect of such refund (plus any penalties that are not attributable to the negligence or misconduct of the Lender, interest or other charges required to be paid) to the Lender in the event the Lender is required to repay such amount to the relevant taxing authority. If the Borrower is obligated to pay any Non-Excluded Taxes or Other Taxes pursuant to this Section 2.08(f), then the Lender shall use reasonable efforts (which shall not require the Lender to incur an unreimbursed loss or unreimbursed cost or expense or otherwise take any action inconsistent with its internal policies or legal or regulatory restrictions or suffer any disadvantage or burden reasonably deemed by it to be significant) to (A) file any certificate or document reasonably requested in writing by the Borrower or (B) assign its rights and delegate and transfer its obligations hereunder to another of its offices, branches or affiliates, if such filing or assignment would reduce or eliminate amounts payable pursuant to this Section 2.08(f) in the future. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by the Lender in connection with any such filing or assignment, delegation and transfer. This Section 2.08(f) shall survive the termination of this Agreement and the repayment of all Borrower Obligations.

Section 2.09. Capital Requirements; Additional Costs.

(a) If the Lender shall have determined that the adoption after the date hereof of any law, treaty, governmental rule, regulation, guideline or order regarding capital adequacy, reserve requirements or similar requirements or compliance by the Lender with any request or directive regarding capital adequacy, reserve requirements or similar requirements (whether or not having the force of law) from any central bank or other Governmental Authority increases or would have the effect of increasing the amount of capital, reserves or other funds required to be maintained by the Lender against commitments made by it under this Agreement or any other Related Document and thereby reducing the rate of return on its capital as a consequence of its commitments hereunder or thereunder by an amount deemed by the Lender in its reasonable judgment to be material, then the Borrower shall from time to time upon demand by the Lender pay to the Lender additional amounts sufficient to compensate the Lender for such reduction together with interest thereon from the date of any such demand until payment in full at the applicable Index Rate. A certificate as to the amount of such reduction and showing the basis of the computation thereof submitted by the Lender to the Borrower shall be final, binding and conclusive on the parties hereto (absent manifest error) for all purposes.

(b) If, due to any Regulatory Change, there shall be any increase in the cost to the Lender of agreeing to make or making, funding or maintaining any commitment hereunder or under any other Related Document, including with respect to any Advances or Outstanding Principal Amount, or any reduction in any amount receivable by the Lender hereunder or thereunder, including with respect to any Advances or Outstanding Principal Amount (any such increase in cost or reduction in amounts receivable are hereinafter referred to as "Additional Costs"), in each case by an amount deemed by the Lender in its reasonable judgment to be material, then the Borrower shall, from time to time upon demand by the Lender, pay to the Lender additional amounts sufficient to compensate the Lender for such Additional Costs together with interest thereon from the date demanded until payment in full thereof at the applicable Index Rate. The Lender agrees that, as promptly as practicable after it becomes aware of any circumstance referred to above that would result in any such Additional Costs, it shall, to the extent not inconsistent with its internal policies of general application, use reasonable commercial efforts to minimize costs and expenses incurred by it and payable to it by the Borrower pursuant to this Section 2.09(b).

(c) Determinations by the Lender for purposes of this Section 2.09 of the effect of any Regulatory Change on its costs of making, funding or maintaining any commitments hereunder or under any other Related Document or on amounts payable to it hereunder or thereunder or of the additional amounts required to compensate it in respect of any Additional Costs shall be set forth in a written notice to the Borrower in reasonable detail and shall be calculated in the same way as comparable claims with respect to similarly situated sellers or borrowers of the Lender and shall be final, binding and conclusive on the Borrower (absent manifest error) for all purposes. The Borrower shall not be required to compensate the Lender pursuant to this Section 2.09 for any increased costs, reduced returns or other losses incurred more than 360 days prior to the date that the Lender notifies the Borrower of its intention to claim compensation therefor.

(d) Notwithstanding anything to the contrary contained herein, if the introduction of or any change in any law or regulation (or any change in the interpretation thereof) shall make it unlawful, or any central bank or other Governmental Authority shall assert that it is unlawful, for the Lender to agree to make or to make or to continue to fund or maintain any LIBOR Rate Advance, then, unless the Lender is able to make or to continue to fund or to maintain such LIBOR Rate Advance at another branch or office of the Lender without, in its good faith opinion, adversely affecting it or its Advances or the income obtained therefrom, on notice thereof and demand therefor by the Lender to the Borrower, (i) the obligation of the Lender to agree to make or to make or to continue to fund or maintain LIBOR Rate Advances shall terminate and (ii) Borrower shall forthwith prepay in full all outstanding LIBOR Rate Advances owing to the Lender, together with interest accrued thereon, unless Borrower, within five (5) Business Days after the delivery of such notice and demand, converts all such LIBOR Rate Advances into Index Rate Advances.

Section 2.10. Breakage Costs. To induce the Lender to provide the LIBOR Rate option on the terms provided herein, if (i) any LIBOR Rate Advances are repaid in whole or in part prior to the last day of any applicable LIBOR Period (whether that repayment is made pursuant to any other provision of this Agreement or any other Related Document or is the result of acceleration, by operation of law or otherwise); (ii) the Borrower shall default in making payment when due of the principal amount of or interest on any LIBOR Rate Advance; (iii) the Borrower shall default in making any borrowing of, conversion into or continuation of LIBOR Rate Advances after the Borrower has given notice requesting the same in accordance herewith (including any failure to satisfy conditions precedent to the making of, or conversion or continuation of, any LIBOR Rate Advances); or (iv) the Borrower shall fail to make any prepayment of a LIBOR Rate Advance after the Borrower has given a notice thereof in accordance herewith; then, in any such case, the Borrower shall indemnify and hold harmless the Lender from and against all losses, costs and expenses resulting from or arising from any of the foregoing (any such loss, cost or expense, "Breakage Costs"). Such indemnification shall include any loss (including loss of margin) or expense arising from the reemployment of funds obtained by it or from fees payable to terminate deposits from which such funds were obtained (if any). For the purpose of calculating amounts payable to the Lender under this subsection, the Lender shall be deemed to have actually funded its relevant LIBOR Rate Advance through the purchase of a deposit bearing interest at the LIBOR Rate in an amount equal to the amount of that LIBOR Rate Advance and having a maturity comparable to the relevant LIBOR Period; provided, however, that the Lender may fund LIBOR Rate Advances in any manner it sees fit, and the foregoing assumption shall be utilized only for the calculation of amounts payable under this subsection. This covenant shall survive the termination of this Agreement and the payment of the Revolving Notes and all other amounts payable hereunder. The determination by the Lender of the amount of any such loss or expense shall be set forth in a written notice to the Borrower in reasonable detail and shall be final, binding and conclusive on the Borrower (absent manifest error) for all purposes.

Section 2.11. Funding Excess. On each Business Day during the Revolving Period, the Lender shall notify the Borrower and the Servicer of the existence of any Funding Excess on such day, and the Borrower shall deposit the amount of such Funding Excess in the

Collection Account by 11:00 a.m. (California time) on the immediately succeeding Business Day.

ARTICLE III.

CONDITIONS PRECEDENT

Section 3.01. Conditions to Effectiveness of Agreement. This Agreement shall not be effective until the date on which each of the following conditions have been satisfied, in the sole discretion of, or waived in writing by, the Lender:

(a) Funding Agreement; Other Related Documents. This Agreement and the Revolving Note shall have been duly executed by, and delivered to, the parties hereto and the Lender shall have received such other documents, instruments, agreements and legal opinions as it shall reasonably request in connection with the transactions contemplated by this Agreement, including all those listed in the Schedule of Documents, each in form and substance satisfactory to the Lender.

(b) Governmental Approvals. The Lender shall have received (i) satisfactory evidence that the Borrower, the Servicer and the Originators have obtained all required consents and approvals of all Persons, including all requisite Governmental Authorities, to the execution, delivery and performance of this Agreement and the other Related Documents and the consummation of the transactions contemplated hereby or thereby or (ii) an Officer's Certificate from each of the Borrower and the Servicer in form and substance satisfactory to the Lender affirming that no such consents or approvals are required.

(c) Payment of Fees. The Borrower shall have paid all fees required to be paid by it on the Effective Date, including all fees required hereunder and under the Fee Letter, and shall have reimbursed the Lender for all reasonable fees, costs and expenses of closing the transactions contemplated hereunder and under the other Related Documents, including the Lender's legal expenses, and other document preparation costs.

(d) Representations and Warranties. Each representation and warranty by the Borrower and the Servicer contained herein shall be true and correct in all material respects as of the Effective Date, except to the extent that such representation or warranty expressly relates solely to an earlier date.

(e) No Termination Event. No Incipient Termination Event or Termination Event hereunder or any "Event of Default" or "Default" (each as defined in the Credit Agreement) under the Credit Agreement shall have occurred and be continuing or would result after giving effect to any of the transactions contemplated to occur on the Effective Date.

(f) Existing Securitization. Evidence satisfactory to the Lender that the Existing Securitization has been paid in full and all liens associated therewith have been released.

Section 3.02. Conditions Precedent to All Advances. The Lender shall not be obligated to make any Advances hereunder (including the initial Advances) on any date if, as of the date thereof:

(a) any representation or warranty of the Borrower or the Servicer contained herein shall be untrue or incorrect in any material respect as of such date, either before or after giving effect to the Advances to be made on such date and to the application of the proceeds therefrom, except to the extent that such representation or warranty expressly relates to an earlier date;

(b) any event shall have occurred, or would result from such Advances or from the application of the proceeds therefrom, that constitutes an Incipient Termination Event or a Termination Event;

(c) the Borrower shall not be in compliance in any material respect with any of its covenants or other agreements set forth herein;

(d) the Commitment Termination Date shall have occurred;

(e) either before or after giving effect to such Advance and to the application of the proceeds therefrom, a Funding Excess would exist; or

(f) the Borrower or the Servicer shall have failed to deliver, on or prior to such date, any Monthly Report or Borrowing Base Certificate required to be delivered in accordance with Section 5.02 hereof.

The delivery by the Borrower of a Borrowing Request and the acceptance by the Borrower of the funds from the related Advance on any Advance Date shall be deemed to constitute, as of any such Advance Date, a representation and warranty by the Borrower that the conditions in this Section 3.02 have been satisfied.

#### ARTICLE IV.

##### REPRESENTATIONS AND WARRANTIES

Section 4.01. Representations and Warranties of the Borrower. To induce the Lender to make Advances from time to time, the Borrower makes the following representations and warranties to the Lender on the Effective Date and each Advance Date, each and all of which shall survive the execution and delivery of this Agreement:

(a) Existence; Powers. The Borrower (i) is a corporation duly formed, validly existing and in good standing under the laws of its jurisdiction of incorporation and is a "registered organization" as defined in the UCC of such jurisdiction; (ii) is duly qualified to conduct business and is in good standing in each other jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to so qualify could not reasonably be expected to result in a Borrower Material Adverse Effect; and

(iii) has the requisite corporate power and authority to own its properties and assets and to conduct its business as now conducted and as proposed to be conducted.

(b) Governmental Approvals. No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required in connection with this Agreement or the other Related Documents, except for (i) the filing of appropriate UCC financing statements and (ii) such as have been made or obtained and are in full force and effect.

(c) Executive Offices; Collateral Locations; Corporate or Other Names. The jurisdiction of organization and the organizational identification number of the Borrower and current location of the Borrower's chief executive office, principal place of business and the offices at which the Borrower keeps its records concerning the Borrower Collateral (including originals of the Borrower Assigned Agreements) are set forth in Schedule 4.01(c) and none of such locations has changed within the past four months. The Borrower has no fictitious or trade names.

(d) Power, Authorization, Enforceable Obligations. The execution, delivery and performance by the Borrower of this Agreement and the other Related Documents to which it is a party, and the creation and perfection of all Liens and ownership interests provided for herein and therein: (i) are within the Borrower's corporate power; (ii) have been duly authorized by all necessary or proper corporate actions; (iii) do not contravene any provision of the Borrower's certificate of incorporation or bylaws; (iv) do not violate any law or regulation, or any order or decree of any court or Governmental Authority, in each case applicable to or binding upon the Borrower or any of its property or to which the Borrower or any of its property is subject; (v) do not conflict with or result in the breach or termination of, constitute a default under or accelerate or permit the acceleration of any performance required by, any indenture, mortgage, deed of trust, lease, agreement or other instrument to which the Borrower is a party or by which the Borrower or any of the property of the Borrower is bound; and (vi) do not result in the creation or imposition of any Adverse Claim upon any of the property of the Borrower or any Originator. On or prior to the Effective Date, each of the Related Documents to which the Borrower is a party shall have been duly executed and delivered by the Borrower and each such Related Document shall then constitute a legal, valid and binding obligation of the Borrower enforceable against it in accordance with its terms, subject (x) to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforcement of creditors' rights generally from time to time in effect and (y) to general principles of equity (whether enforcement is sought by a proceeding in equity or at law).

(e) No Litigation. No Litigation is now pending or, to the knowledge of the Borrower, threatened against the Borrower that (i) challenges the Borrower's right or power to enter into or perform any of its obligations under the Related Documents to which it is a party, or the validity or enforceability of any Related Document or any action taken thereunder, (ii) seeks to prevent the transfer, sale, pledge or contribution of any Receivable or other Receivable Assets or the consummation of any of the transactions contemplated under this Agreement or the other Related Documents, or (iii) except as set forth on Schedule 4.01(e), that, if adversely determined, could reasonably be expected to have a Borrower Material Adverse Effect.

(f) Solvency. After giving effect to the Advances to be made on such date and to the application of the proceeds therefrom, the Borrower is and will be Solvent.

(g) Material Adverse Effect. Since the end of the most recent fiscal year of the Borrower, no event has occurred with respect to the Borrower that, alone or together with other events, has had a Borrower Material Adverse Effect.

(h) Liens. None of the Transferred Receivables or any other Receivable Assets are subject to any Adverse Claims.

(i) Ventures and Subsidiaries; Outstanding Indebtedness. The Borrower has no Subsidiaries, and is not engaged in any joint venture or partnership with any other Person. After giving effect to (x) the execution and delivery of this Agreement and the other Related Documents and (y) termination and payment in full of the Existing Securitization, the Borrower has no Debt other than (A) Debt incurred pursuant to this Agreement and the other Related Documents (including the Subordinated Note), (B) immaterial amounts due and payable in the ordinary course of business of a special purpose company which shall not exceed \$10,000 in the aggregate at any time outstanding and (C) any other Debt that is not prohibited by Section 5.03(h). Other than the restrictions created by the Related Documents, the Borrower is not subject to any corporate restriction that could reasonably be expected to have a Borrower Material Adverse Effect.

(j) Taxes. The Borrower has filed or caused to be filed all material tax returns (Federal, state or local) which it reasonably believes are required to have been filed by it and has paid or caused to be paid or made adequate provision for all taxes due and payable by it and all assessments received by it except to the extent that any failure to file or nonpayment (i) is being contested in good faith or (ii) could not reasonably be expected to result in a Borrower Material Adverse Effect.

(k) Full Disclosure. With respect to each Receivable, all information furnished by or on behalf of the Borrower to the Lender relating to (i) the name of the related Obligor and (ii) the aggregate Outstanding Balance of such Receivable, is true and correct (except for any errors or omissions that do not result in material impairment of the interests, rights or remedies of the Lender with respect to any Receivable).

(l) Margin Regulations. The Borrower is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin security," as such terms are defined in Regulation U of the Federal Reserve Board as now and from time to time hereafter in effect. No part of the proceeds of the Advances made hereunder will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that entails a violation of, or that is inconsistent with, the provisions of the Regulations of the Federal Reserve Board, including Regulation U or Regulation X.

(m) Government Regulation. The Borrower is not an "investment company", as such term is defined in the Investment Company Act.

(n) Nonconsolidation. (i) The Borrower has not entered into any agreement other than this Agreement, the other Related Documents to which it is a party, the agreements relating to the Existing Securitization to which it is a party, any other agreements or instruments that, in the aggregate, neither contain payment obligations or other liabilities on the part of the Borrower in excess of \$100,000 nor would upon default result in a Borrower Material Adverse Effect, and, with the prior written consent of the Lender, any other agreement necessary to carry out more effectively the provisions and purposes hereof or thereof;

(ii) the Borrower's business is managed solely by its own officers and directors, each of whom when acting for the Borrower shall be acting solely in his or her capacity as an officer or director of the Borrower and not as an officer, director, employee or agent of any member of the Parent Group;

(iii) the Borrower shall compensate all employees, consultants and agents directly or indirectly through reimbursement of the Parent, from the Borrower's bank accounts, for services provided to the Borrower by such employees, consultants and agents and, to the extent any employee, consultant or agent of the Borrower is also an employee, consultant or agent of such member of the Parent Group, on a basis which reflects the respective services rendered to the Borrower and such member of the Parent Group and in accordance with the terms of the Administrative Services Agreement;

(iv) the Borrower shall pay its own incidental administrative costs and expenses not covered under the terms of the Administrative Services Agreement from its own funds, and shall allocate all other shared overhead expenses (including, without limitation, telephone and other utility charges, the services of shared employees, consultants and agents, and reasonable legal and auditing expenses) which are not reflected in the Servicing Fee, and other items of cost and expense shared between the Borrower and the Parent pursuant to the terms of the Administrative Services Agreement, on the basis of actual use to the extent practicable and, to the extent such allocation is not practicable, on a basis reasonably related to actual use or the value of services rendered;

(v) the Borrower maintains financial statements, records and books of account separate from that of each member of the Parent Group;

(vi) the financial statements and books and records of the Borrower reflect the separate existence of the Borrower;

(vii) (A) the Borrower maintains its assets separately from the assets of each member of the Parent Group (including through the maintenance of separate bank accounts and except for any Records to the extent necessary to assist the Servicer in connection with the servicing of the Transferred Receivables) and (B) except as contemplated by the Administrative Services Agreement, the Borrower's funds (including all money, checks and other cash proceeds) and assets, and records relating thereto, have not been and are not commingled with those of any member of the Parent Group;

(viii) except as otherwise expressly permitted hereunder, under the other Related Documents and under the Borrower's organizational documents, no member of the Parent Group (A) pays the Borrower's expenses, (B) guarantees the Borrower's obligations, or (C) advances funds to the Borrower for the payment of expenses or otherwise;

(ix) all business correspondence and other communications of the Borrower are conducted in the Borrower's own name and on its own stationery;

(x) Borrower shall maintain separate office space from the offices of any member of the Parent Group (which office space may be located at the same address as any member of the Parent Group) and identify such office by a sign in its own name; and

(xi) the Borrower maintains at least one independent director who (A) is not a Stockholder, director, officer, employee or associate, or any immediate family of the foregoing, of any member of the Parent Group (other than a director of the Borrower) and either (B) has (1) prior experience as an independent director for an entity whose organizational documents required the unanimous consent of all independent directors thereof before such corporation could consent to the institution of bankruptcy or insolvency proceedings against it or could file a petition seeking relief under any applicable federal or state law relating to bankruptcy and (2) at least three years of employment experience with one or more entities that provide, in the ordinary course of their respective businesses, advisory, management, independent director services or placement services to issuers of securitization or structured finance instruments, agreements or securities, or (C) is otherwise acceptable to the Lender.

(o) Lockboxes and Lockbox Accounts. Schedule 4.01(o) lists all banks and other financial institutions at which the Borrower maintains any Lockboxes or Lockbox Accounts, and such schedule correctly identifies the name, address and telephone number of each depository, the name in which each Lockbox Account is held, and the complete account number therefor. The Borrower (or the Servicer on its behalf) has delivered to the Lender a fully executed agreement pursuant to which each Lockbox Account Bank (with respect to each Lockbox Account) has agreed to comply with all instructions originated by the Lender directing the disposition of funds in such Lockbox Account without further consent by the Borrower, the Servicer or any Originator. No Lockbox Account is in the name of any person other than the Borrower or the Lender, and the Borrower has not consented to any Lockbox Account Bank following the instructions of any Person other than the Lender.

(p) Transferred Receivables and other Receivable Assets.

(i) Transfers. Each Transferred Receivable and other Receivable Assets was purchased by or contributed to the Borrower on the relevant Transfer Date pursuant to the Sale Agreement.

(ii) Eligibility. Each Transferred Receivable designated as an Eligible Receivable in each Borrowing Base Certificate or Monthly Report, as the case may be,

constitutes an Eligible Receivable as of the date specified in such Borrowing Base Certificate or Monthly Report, as the case may be.

(q) Assignment of Interest in Related Documents. The Borrower's interests in, to and under the Sale Agreement and the Parent Agreement have been assigned by the Borrower to the Lender.

(r) Representations and Warranties in Other Related Documents. Each of the representations and warranties of the Borrower contained in the Related Documents (other than this Agreement) is true and correct in all respects and the Borrower hereby makes each such representation and warranty to, and for the benefit of, the Lender as if the same were set forth in full herein.

#### ARTICLE V.

##### GENERAL COVENANTS OF THE BORROWER

Section 5.01. Affirmative Covenants of the Borrower. The Borrower covenants and agrees that from and after the Effective Date and until the Termination Date:

(a) Compliance with Agreements and Applicable Laws. The Borrower shall (i) perform each of its obligations under this Agreement and the other Related Documents and (ii) comply with all federal, state and local laws and regulations applicable to it and the Transferred Receivables and other Receivable Assets, except where the failure to so perform (in the case of clause (i)) or to so comply (in the case of clause (ii)) would not reasonably be expected to have a Borrower Material Adverse Effect.

(b) Maintenance of Existence and Conduct of Business. The Borrower shall: (i) do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and its rights and franchises in its jurisdiction of incorporation; and (ii) continue to conduct its business substantially as now conducted or as otherwise permitted hereunder and in accordance with (1) the terms of its certificate of incorporation and bylaws, (2) Section 4.01(n) and (3) the assumptions set forth in each legal opinion of Davis Polk & Wardwell or other counsel to the Borrower delivered pursuant to Section 3.01(a) hereof with respect to issues of substantive consolidation and true sale and absolute transfer.

(c) Lockboxes; Deposit of Collections. The Borrower shall deposit or cause to be deposited promptly into a Lockbox Account, and in any event no later than the second Business Day after receipt thereof, all Collections it may receive with respect to any Transferred Receivable.

(d) Payment, Performance and Discharge of Obligations.

(i) Subject to Section 5.01(d)(ii), the Borrower shall pay, perform and discharge or cause to be paid, performed and discharged promptly all charges and claims payable by it before any thereof shall become past due.

(ii) The Borrower may in good faith contest, by appropriate proceedings, the validity or amount of any charges or claims described in Section 5.01(d)(i); provided, that adequate reserves with respect to such contest are maintained on the books of the Borrower, in accordance with GAAP.

Section 5.02. Reporting Requirements of the Borrower. The Borrower hereby agrees that from and after the Effective Date until the Termination Date, it shall furnish or cause to be furnished to the Lender:

(a) The financial statements, notices and other information at the times, to the Persons and in the manner set forth in Annex 5.02(a).

(b) As soon as available, and in any event no later than 12:30 p.m. (California time) on each Business Day, a completed certificate in the form attached hereto as Exhibit 5.02(b) (each, a "Borrowing Base Certificate"), each of which shall be prepared by the Borrower or the Servicer as of the close of business on the immediately preceding Business Day.

(c) Such other reports, statements and reconciliations with respect to the Borrowing Base or Borrower Collateral as the Lender shall from time to time request in its reasonable discretion.

Section 5.03. Negative Covenants of the Borrower. The Borrower covenants and agrees that, without the prior written consent of the Lender, from and after the Effective Date until the Termination Date:

(a) Sale of Assets. The Borrower shall not sell, transfer, convey, assign or otherwise dispose of, or assign any right to receive income in respect of, any Transferred Receivable or Contract therefor except as otherwise expressly permitted by this Agreement or any of the other Related Documents. The Servicer may in its sole discretion arrange for the Borrower to enter into an agreement to sell any Defaulted Receivable provided that no later than 10 Business Days before the Borrower enters into any such agreement, the Servicer shall deliver to the Lender an Officer's Certificate of the Servicer certifying that (i) such sale is to be made without credit recourse to the Borrower, (ii) such sale is an arm's-length, fair market transaction to a purchaser that is not an Affiliate of the Borrower, (iii) the purchaser of such Defaulted Receivables will agree in writing not to institute or join in instituting a bankruptcy or similar insolvency proceeding against the Borrower, (iv) such Defaulted Receivables are excluded from the Borrowing Base in the most recent Borrowing Base Certificate delivered to the Lender and (v) the form of documents attached to such Officer's Certificate will constitute the material operative documents for such sale agreed to by the Borrower and the purchaser of such Defaulted Receivables. Each party hereto agrees that the purchase price paid upon any such sale

of Defaulted Receivables shall constitute Collections hereunder and shall be remitted directly to the Collection Account.

(b) Liens. The Borrower shall not create, incur, assume or permit to exist (i) any Adverse Claim on or with respect to its Transferred Receivables or other Receivable Assets or (ii) any Adverse Claim on or with respect to its other properties or assets (whether now owned or hereafter acquired) except for the Liens set forth in Schedule 5.03(b) and other Permitted Encumbrances. In addition, the Borrower shall not become a party to any agreement, note, indenture or instrument or take any other action that would prohibit the creation of a Lien on any of its properties or other assets in favor of the Lender as additional collateral for the Borrower Obligations, except as otherwise expressly permitted by this Agreement or any of the other Related Documents.

(c) Changes in Instructions to Obligors. The Borrower shall not make any change in its instructions to Obligors regarding the deposit of Collections with respect to the Transferred Receivables, except to the extent the Lender directs the Borrower to change such instructions to Obligors in accordance with the terms hereof or the Lender consents in writing to such change.

(d) Business; Charter. The Borrower shall not (i) make any changes in any of its business objectives, purposes or operations, (ii) amend or make any change or modification to Articles III, V, IX, XI, XII or XIII of its certificate of incorporation without first obtaining the written consent of the Lender (which consent shall not be unreasonably withheld) (provided that, notwithstanding anything to the contrary in this clause (ii), the Borrower may make amendments, changes or modifications pursuant to changes in law of the state of its incorporation or amendments to change the Borrower's registered agent or the address of its registered office), (iii) make any change to its name indicated on the public records of its jurisdiction of organization without 30 days' prior written notice to the Lender or (iv) change its jurisdiction of organization without 30 days' prior written notice to the Lender. The Borrower shall not engage in any business other than as provided in its certificate of incorporation, bylaws and the Related Documents.

(e) Mergers, Subsidiaries, Etc. The Borrower shall not directly or indirectly, by operation of law or otherwise merge with, consolidate with, acquire all or substantially all of the assets or capital Stock of, or otherwise combine with or acquire, any Person.

(f) Sale Characterization; Sale Agreement. The Borrower shall not make statements or disclosures, prepare any financial statements or in any other respect account for or treat the transactions contemplated by the Sale Agreement (including for accounting and reporting purposes) in any manner other than (i) with respect to each Sale of each Sold Receivable and other Receivable Assets effected pursuant to the Sale Agreement, as a true sale and absolute assignment of the title to and sole record and beneficial ownership interest of the Transferred Receivables and other Receivable Assets by the Originators to the Borrower and (ii) with respect to each contribution of Contributed Receivables and other Receivable Assets thereunder, as an increase in the stated capital of the Borrower; provided, however, that this subsection (f) shall not apply for any tax or tax accounting purposes.

(g) Restricted Payments. Except for the Subordinated Loans, the Borrower shall not enter into any lending transaction in which the Borrower acts as lender with any other Person. The Borrower shall not at any time (i) advance credit to any Person or (ii) declare any distributions, repurchase any shares of capital stock, or make any other payment or distribution of cash or other property or assets in respect of the Borrower's capital stock or make a repayment with respect to any Subordinated Loans if, after giving effect to any such advance or distribution, a Funding Excess or Termination Event would exist or otherwise result therefrom.

(h) Indebtedness. Except as required by law or as a result of operation of law, the Borrower shall not create, incur, assume or permit to exist any Debt, other than (i) Debt of the Borrower to any Affected Party, Indemnified Person, the Servicer or any other Person expressly permitted by this Agreement or any other Related Document, (ii) Subordinated Loans pursuant to the Subordinated Notes, (iii) deferred taxes, (iv) unfunded pension fund and other employee benefit plan obligations and liabilities to the extent they are permitted to remain unfunded under applicable law, (v) endorser liability in connection with the endorsement of negotiable instruments for deposit or collection in the ordinary course of business, and (vi) liabilities or obligations for services supplied or furnished to the Borrower in an amount not to exceed \$100,000 at any time outstanding.

(i) Prohibited Transactions. The Borrower shall not enter into, or be a party to, any transaction with any Person except as expressly permitted hereunder or under any other Related Document and except for leases of office space, equipment or other facilities for use by the Borrower in its ordinary course of business, employment agreements, service agreements, agreements relating to shared employees, the Related Documents and agreements necessary to perform its obligations under the Related Documents.

(j) Commingling. The Borrower shall not deposit any funds that do not constitute Collections of Transferred Receivables into any Lockbox Account.

(k) Related Documents. The Borrower shall not amend, modify or waive any term or provision of the Sale Agreement without the prior written consent of the Lender (which consent shall not be unreasonably withheld).

#### ARTICLE VI.

##### ACCOUNTS

###### Section 6.01. Establishment of Accounts.

###### (a) The Lockbox Accounts.

(i) The Borrower has established with each Lockbox Account Bank one or more Lockbox Accounts. The Borrower agrees that the Lender shall have exclusive dominion and control of each Lockbox Account and all monies, instruments and other property from time to time on deposit therein. The Borrower shall not make or cause to be made, or have any ability to make or cause to be made, any withdrawals from any Lockbox Account except as provided in Section 6.01(b)(ii).

(ii) The Borrower and the Servicer have instructed all existing Obligors of Transferred Receivables, and shall instruct all future Obligors of such Receivables, to make payments in respect thereof only (A) by check or money order mailed to one or more lockboxes or post office boxes under the control of the Lender (each a "Lockbox" and collectively the "Lockboxes") or (B) by wire transfer or moneygram directly to a Lockbox Account. Schedule 4.01(o) lists all Lockboxes and all Lockbox Account Banks at which the Borrower maintains Lockbox Accounts as of the Effective Date, and such schedule correctly identifies (1) with respect to each such Lockbox Account Bank, the name, address and telephone number thereof, (2) with respect to each Lockbox Account, the name in which such account is held and the complete account number therefor, and (3) with respect to each Lockbox, the lockbox number and address thereof. The Borrower and the Servicer shall endorse, to the extent necessary, all checks or other instruments received in any Lockbox so that the same can be deposited in the Lockbox Account, in the form so received (with all necessary endorsements), on the second Business Day after the date of receipt thereof. In addition, each of the Borrower and the Servicer shall deposit or cause to be deposited into a Lockbox Account all cash, checks, money orders or other proceeds of Transferred Receivables or Borrower Collateral received by it other than in a Lockbox or a Lockbox Account, in the form so received (with all necessary endorsements), not later than the close of business on the second Business Day following the date of receipt thereof, and until so deposited all such items or other proceeds shall be held in trust for the benefit of the Lender. Neither the Borrower nor the Servicer shall make any deposits into a Lockbox or any Lockbox Account except in accordance with the terms of this Agreement or any other Related Document.

(iii) If, for any reason, a Lockbox Account Agreement terminates or any Lockbox Account Bank fails to comply with its obligations under the Lockbox Account Agreement to which it is a party, then the Borrower shall promptly notify all Obligors of Transferred Receivables who had previously been instructed to make wire payments to a Lockbox Account maintained at any such Lockbox Account Bank to make all future payments to a new Lockbox Account in accordance with this Section 6.01(a)(iii). The Borrower shall not close any such Lockbox Account unless it shall have (A) received the prior written consent of the Lender (which consent shall not be unreasonably withheld), (B) established a new account with the same Lockbox Account Bank or with a new depository institution satisfactory to the Lender in its reasonable discretion, (C) entered into an agreement covering such new account with such Lockbox Account Bank or with such new depository institution substantially in the form of such Lockbox Account Agreement or that is satisfactory in all respects to the Lender in its reasonable discretion (whereupon, for all purposes of this Agreement and the other Related Documents, such new account shall become a Lockbox Account, such new agreement shall become a Lockbox Account Agreement and any new depository institution shall become a Lockbox Account Bank), and (D) taken all such action as the Lender shall require to grant and perfect a first priority Lien in such new Lockbox Account to the Lender under Section 8.01 of this Agreement. Except as permitted by this Section 6.01(a), neither the Borrower nor the Servicer shall open any new Lockbox or

Lockbox Account without the prior written consent of the Lender (which consent shall not be unreasonably withheld).

(b) Collection Account.

(i) The Lender has established and shall maintain the Collection Account with Deutsche Bank Trust Company Americas (the "Depository"). The Collection Account shall be registered in the name of the Lender and the Lender shall, subject to the terms of this Agreement, have exclusive dominion and control thereof and of all monies, instruments and other property from time to time on deposit therein.

(ii) The Borrower shall instruct each Lockbox Account Bank to transfer, and the Borrower hereby grants the Lender the authority to instruct each such Lockbox Account Bank to transfer, on each Business Day in same day funds, all available funds in each Lockbox Account to the Collection Account. The Lender may deposit into the Collection Account from time to time all monies, instruments and other property it receives as proceeds of the Transferred Receivables.

(iii) The Lender shall not close the Collection Account unless (A) a new deposit account has been established with a new depository institution, (B) the Lender has entered into an agreement covering such new account with such new depository institution (whereupon such new account shall become the Collection Account and such new depository institution shall become the Depository for all purposes of this Agreement and the other Related Documents), and (C) the Lender shall have taken all such action as is required to grant and perfect a first priority Lien in such new Collection Account to the Lender.

(c) Borrower Account.

(i) The Borrower has established the Borrower Account and agrees that the Lender shall have exclusive dominion and control of such Borrower Account and all monies, instruments and other property from time to time on deposit therein.

(ii) The Lender hereby agrees that until such time as it instructs the Borrower Account Bank otherwise, the Borrower shall have the right to give instruction for the withdrawal, transfer or payment of funds on deposit in the Borrower Account. The Lender further agrees that it shall not instruct the Borrower Account Bank to no longer accept instructions from the Borrower unless an Incipient Termination Event or a Termination Event shall have occurred and be continuing.

ARTICLE VII.

SERVICER PROVISIONS

Section 7.01. Appointment of the Servicer. The Lender hereby appoints the Servicer as its agent, and the Borrower hereby acknowledges and agrees to such appointment, to service the Transferred Receivables and enforce the Borrower's and the Lender's rights and

interests in and under each Transferred Receivable and Contract therefor and to serve in such capacity until the termination of its responsibilities pursuant to Sections 9.02 or 11.01. In connection therewith, the Servicer hereby accepts such appointment and agrees to perform the duties and obligations set forth herein. The Servicer may, with the prior written consent of the Lender, subcontract with a Sub-Servicer for the collection, servicing or administration of the Transferred Receivables and other Receivable Assets; provided, that (a) the Servicer shall remain liable for the performance of the duties and obligations of such Sub-Servicer pursuant to the terms hereof, (b) any Sub-Servicing Agreement that may be entered into and any other transactions or services relating to the Transferred Receivables involving a Sub-Servicer shall be deemed to be between the Sub-Servicer and the Servicer alone, and the Lender shall not be deemed a party thereto and shall have no obligations, duties or liabilities with respect to the Sub-Servicer and (c) each Sub-Servicing Agreement shall expressly provide that it shall automatically terminate upon the termination of the Servicer's responsibilities hereunder in accordance with the terms hereof.

Section 7.02. Duties and Responsibilities of the Servicer. Subject to the provisions of this Agreement, the Servicer shall conduct the servicing, administration and collection of the Transferred Receivables and shall take, or cause to be taken, all actions that (i) may be necessary or advisable to service, administer and collect each Transferred Receivable from time to time, (ii) the Servicer would take if the Transferred Receivables were owned by the Servicer, and (iii) are consistent with industry practice for the servicing of such Transferred Receivables.

Section 7.03. Collections on Receivables and other Receivable Assets.

(a) In the event that the Servicer is unable to determine the specific Transferred Receivables on which Collections have been received from the Obligor thereunder, the parties agree for purposes of this Agreement only that such Collections shall be deemed to have been received on such Receivables in the order in which they were originated with respect to such Obligor. In the event that the Servicer is unable to determine the specific Transferred Receivables on which discounts, offsets or other non-cash reductions have been granted or made with respect to the Obligor thereunder, the parties agree for purposes of this Agreement only that such reductions shall be deemed to have been granted or made in the order in which they were originated with respect to such Obligor.

(b) If in respect of Collections on account of a Receivable, the Servicer deposits into the Collection Account an amount that is less than or more than the actual amount of such Collections, the Servicer shall, in lieu of making a reconciling withdrawal or deposit, as the case may be, adjust the amount subsequently deposited into such Collection Account to reconcile such mistake.

Section 7.04. Authorization of the Servicer. The Lender hereby authorizes the Servicer, and the Borrower acknowledges and agrees to such authorization, to take any and all reasonable steps in its name and on its behalf necessary or desirable and not inconsistent with the rights of the Lender hereunder, in the determination of the Servicer, to (a) collect all amounts due under any Transferred Receivable, including endorsing the applicable name on checks and other

instruments representing Collections on such Receivable, and execute and deliver any and all instruments of satisfaction or cancellation or of partial or full release or discharge and all other comparable instruments with respect to any such Receivable and (b) after any Transferred Receivable becomes a Defaulted Receivable and to the extent permitted under and in compliance with applicable law and regulations, commence proceedings with respect to the enforcement of payment of any such Receivable and the Contract therefor and adjust, settle or compromise any payments due thereunder, in each case to the same extent as the applicable Originator could have done if it had continued to own such Receivable. The Borrower and the Lender shall furnish the Servicer with any powers of attorney and other documents necessary or appropriate to enable the Servicer to carry out its servicing and administrative duties hereunder. In no event shall the Servicer be entitled to make the Borrower or the Lender a party to any Litigation without such Person's express prior written consent.

Section 7.05. Servicing Fees. As compensation for its servicing activities and as reimbursement for its reasonable expenses in connection therewith, the Servicer shall be entitled to receive the Servicing Fees in accordance with Section 2.07. The Servicer shall be required to pay for all expenses incurred by it in connection with its activities hereunder (including any payments to accountants, counsel or any other Person) and shall not be entitled to any payment therefor other than the Servicing Fees.

Section 7.06. Representations and Warranties of the Servicer. To induce the Lender to make Advances from time to time, the Servicer makes the following representations and warranties to the Lender on the Effective Date and each Advance Date, which shall survive the execution and delivery of this Agreement:

(a) Corporate Existence; Compliance with Law. The Servicer (i) is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation; (ii) is duly qualified to conduct business and is in good standing in each other jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to so qualify could not reasonably be expected to result in a Servicer Material Adverse Effect; and (iii) has the requisite corporate power and authority to own its properties and assets and to conduct its business as now, heretofore and proposed to be conducted.

(b) Corporate Power, Authorization, Enforceable Obligations. The execution, delivery and performance by the Servicer of this Agreement and the other Related Documents to which it is a party (i) are within the Servicer's corporate power; (ii) have been duly authorized by all necessary or proper corporate and shareholder action; (iii) do not contravene any provision of the Servicer's certificate of incorporation or bylaws; (iv) do not violate any law or regulation, or any order or decree of any court or Governmental Authority applicable to the Servicer; (v) do not conflict with or result in the breach or termination of, constitute a default under or accelerate or permit the acceleration of any performance required by, any indenture, mortgage, deed of trust, lease, agreement or other instrument to which the Servicer is a party or by which the Servicer or any of the property of the Servicer is bound, except where any such conflict, violation, breach or default referred to in clauses (iv) or (v), individually or in the aggregate, could not reasonably be expected to have a Servicer Material Adverse Effect; (vi) do not result in the creation or

imposition of any Adverse Claim upon the Receivables or other Receivable Assets; and (vii) do not require the consent or approval of any Governmental Authority or any other Person, except those which have been duly obtained, made or complied with prior to the Effective Date as provided in Section 3.01(b). On or prior to the Effective Date, each of the Related Documents to which the Servicer is a party shall have been duly executed and delivered by the Servicer and each such Related Document shall then constitute a legal, valid and binding obligation of the Servicer enforceable against it in accordance with its terms, subject (i) to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforcement of creditors' rights generally from time to time in effect and (ii) to general principles of equity (whether enforcement is sought by a proceeding in equity or at law).

(c) Governmental Approvals. No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required in connection with the Related Documents, except for (i) the filing of UCC financing statements and (ii) such as have been made or obtained and are in full force and effect.

(d) Litigation; Compliance with Laws. (i) There are no actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to its knowledge, threatened against it or any Significant Subsidiary (A) that involve any Related Document or the transactions contemplated thereby or (B) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Servicer Material Adverse Effect.

(ii) Neither it nor any Significant Subsidiary is in default with respect to any judgment, writ, injunction, decree or order of any Governmental Authority, where such violation or default could reasonably be expected to result in a Servicer Material Adverse Effect.

Section 7.07. Covenants of the Servicer. The Servicer covenants and agrees that from and after the Effective Date and until the Termination Date:

(a) Compliance with Agreements and Applicable Laws. The Servicer shall (i) perform each of its obligations under this Agreement and the other Related Documents and (ii) comply with all federal, state and local laws and regulations applicable to it and the Transferred Receivables and other Receivable Assets, except where the failure to so perform (in the case of clause (i)) or to so comply (in the case of clause (ii)) could not reasonably be expected to result in a Servicer Material Adverse Effect.

(b) Deposit of Collections. The Servicer shall deposit or cause to be deposited promptly into a Lockbox Account, and in any event no later than the second Business Day after receipt thereof, all Collections it may receive with respect to any Transferred Receivable. As soon as practicable, but in any event not later than the Business Day following the date that the Servicer identifies any of the collected funds received in the Collection Account as funds that do not constitute Collections on account of the Receivables, the Servicer shall notify the Lender in writing (which notice may be given by delivery of a Borrowing Base Certificate or a Monthly Report reflecting the amount of such collected funds that do not

constitute Collections), and the Lender shall promptly remit (or direct the applicable Lockbox Account Bank to remit) any such amounts that are not Collections to the applicable Originator or other Person designated in such notice from the Servicer.

(c) Extension, Amendment and Adjustment of Receivables; Amendment of Credit and Collection Policy. (i) The Servicer hereby covenants and agrees that it shall not extend, rescind, cancel, amend or otherwise modify, or attempt or purport to extend, rescind, cancel, amend or otherwise modify, the terms of, or grant any Dilution Adjustment to, any Receivable, or otherwise take any action that is intended to cause or permit a Receivable that is an Eligible Receivable to cease to be an Eligible Receivable, except in any such case (i) in accordance with the terms of its Credit and Collection Policy, (ii) as required by applicable law or (iii) in the case of any Dilution Adjustments, upon the payment by or on behalf of the applicable Originator of the Dilution Adjustment Payment required to be paid in respect of such Dilution Adjustment pursuant to the terms of Section 2.05 of the Sale Agreement.

(ii) The Servicer shall not change or modify its Credit and Collection Policy in any material respect, except (i) if such change or modification is necessary under any applicable law (which for the purposes of this Section shall not include the certificate of incorporation or by-laws or other organizational or governing documents of the Servicer) or (ii) if the prior written consent of the Lender is obtained (which consent shall not be unreasonably withheld). The Servicer shall provide notice to the Borrower and the Lender of any change or modification of its Credit and Collection Policy.

(d) Ownership of Transferred Receivables. The Servicer shall identify the Transferred Receivables clearly and unambiguously in its master database of Receivables to reflect that a Lien on such Transferred Receivables has been granted to the Lender.

Section 7.08. Reporting Requirements of the Servicer. The Servicer hereby agrees that, from and after the Effective Date and until the Termination Date, it shall deliver or cause to be delivered to the Lender the financial statements, notices, and other information at the times and in the manner set forth in Section 5.02 and Annex 5.02(a).

Section 7.09. Floorplan Agreements. The Servicer hereby agrees that it shall deliver or cause to be delivered to the Lender, no later than 90 days after the date hereof (or such later date as may be agreed by the Lender) a certified copy of each material inventory repurchase or floorplan agreement to which the Servicer is a party or is bound by, together with (if required by the Lender) a non-contravention opinion from external counsel to the Servicer in form and substance acceptable to the Lender.

#### ARTICLE VIII.

##### GRANT OF SECURITY INTERESTS

Section 8.01. Borrower's Grant of Security Interest. To secure the prompt and complete payment, performance and observance of all Borrower Obligations, and to induce the Lender to enter into this Agreement and perform the obligations required to be performed by them hereunder in accordance with the terms and conditions hereof, the Borrower hereby grants,

assigns, conveys, pledges, hypothecates and transfers to the Lender, a Lien upon and security interest in all of the Borrower's right, title and interest in, to and under, but none of its obligations arising from, the following property, whether now owned by or owing to, or hereafter acquired by or arising in favor of, the Borrower (including under any trade names, styles or derivations of the Borrower), and regardless of where located (all of which being hereinafter collectively referred to as the "Borrower Collateral"):

(a) all Receivables and other Receivable Assets;

(b) the Sale Agreement, all Lockbox Account Agreements and all other Related Documents now or hereafter in effect relating to the purchase, servicing or processing of Receivables and other Receivable Assets (collectively, the "Borrower Assigned Agreements"), including (i) all rights of the Borrower to receive moneys due and to become due thereunder or pursuant thereto, (ii) all rights of the Borrower to receive proceeds of any insurance, indemnity, warranty or guaranty with respect thereto, (iii) all claims of the Borrower for damages or breach with respect thereto or for default thereunder and (iv) the right of the Borrower to amend, waive or terminate the same and to perform and to compel performance and otherwise exercise all remedies thereunder;

(c) all of the following (collectively, the "Borrower Account Collateral"):

(i) the Lockbox Accounts, the Lockboxes, and all funds on deposit therein and all certificates and instruments, if any, from time to time representing or evidencing the Lockbox Accounts, the Lockboxes or such funds,

(ii) the Collection Account and all funds on deposit therein and all certificates and instruments, if any, from time to time representing or evidencing the Collection Account or such funds,

(iii) the Borrower Account and all funds on deposit therein and all certificates and instruments, if any, from time to time representing or evidencing the Borrower Account or such funds,

(iv) all notes, certificates of deposit and other instruments from time to time delivered to or otherwise possessed by the Lender or any assignee or agent on behalf of the Lender in substitution for or in addition to any of the then existing Borrower Account Collateral, and

(v) all interest, dividends, cash, instruments, investment property and other property from time to time received, receivable or otherwise distributed with respect to or in exchange for any and all of the then existing Borrower Account Collateral; and

(d) to the extent not otherwise included, all proceeds and products of the foregoing and all accessions to, substitutions and replacements for, and profits of, each of the foregoing Borrower Collateral (including proceeds that constitute property of the types described in Sections 8.01(a) through (c)).

Section 8.02. Borrower's Agreements. The Borrower hereby (a) assigns, transfers and conveys the benefits of the representations, warranties and covenants of each Originator made to the Borrower under the Sale Agreement to the Lender hereunder; (b) acknowledges and agrees that the right to require payment of an Originator Adjustment Payment from an Originator under the Sale Agreement may be enforced by the Lender (it being understood that the Lender shall have no right to enforce payment of such amount to the extent such amount was paid by the Parent pursuant to the terms of the Parent Agreement); and (c) certifies that the Sale Agreement provides that the representations and warranties set forth in Sections 4.01 and 4.02 thereof and the indemnification provisions set forth in Section 8.02 thereof shall survive any termination of the Sale Agreement.

Section 8.03. Delivery of Collateral. All certificates or instruments representing or evidencing all or any portion of the Borrower Collateral shall be delivered to and held by or on behalf of the Lender and shall be in suitable form for transfer by delivery or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Lender. The Lender shall have the right (a) at any time to exchange certificates or instruments representing or evidencing Borrower Collateral for certificates or instruments of smaller or larger denominations and (b) at any time in its discretion following the occurrence and during the continuation of a Termination Event and without notice to the Borrower, to transfer to or to register in the name of the Lender or its nominee any or all of the Borrower Collateral.

Section 8.04. Borrower Remains Liable. It is expressly agreed by the Borrower that, anything herein to the contrary notwithstanding, the Borrower shall remain liable under any and all of the Transferred Receivables, the Contracts therefor, the Borrower Assigned Agreements and any other agreements constituting the Borrower Collateral to which it is a party to observe and perform all the conditions and obligations to be observed and performed by it thereunder. The Lender shall not have any obligation or liability under any such Receivables, Contracts or agreements by reason of or arising out of this Agreement or the granting herein or therein of a Lien thereon or the receipt by the Lender of any payment relating thereto pursuant hereto or thereto. The exercise by the Lender of any of its respective rights under this Agreement shall not release any Originator, the Borrower or the Servicer from any of their respective duties or obligations under any such Receivables, Contracts, or agreements. The Lender shall not be required or obligated in any manner to perform or fulfill any of the obligations of any Originator, the Borrower or the Servicer under or pursuant to any such Receivable, Contract or agreement, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any such Receivable, Contract or agreement, or to present or file any claims, or to take any action to collect or enforce any performance or the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

Section 8.05. Covenants of the Borrower and the Servicer Regarding the Borrower Collateral.

(a) Offices and Records. The Borrower shall maintain its chief executive office and the office at which it stores its Records at the respective locations specified in

Schedule 4.01(c) or, upon 30 days' prior written notice to the Lender, at such other location in a jurisdiction where all action requested by the Lender pursuant to Section 14.13 shall have been taken with respect to the Borrower Collateral. Each of the Borrower and the Servicer shall, at its own cost and expense, maintain adequate and complete records of the Transferred Receivables, other Receivable Assets and the Borrower Collateral, including records of any and all payments received, credits granted and merchandise returned with respect thereto and all other dealings therewith.

(b) Access. Each of the Borrower and the Servicer shall, at any reasonable time during normal business hours on any Business Day, and from time to time, upon reasonable prior notice, and as often as may reasonably be requested, and at any time after the occurrence of a Termination Event, and in any case subject to its security and confidentiality requirements, (i) permit the Lender or any of its agents or representatives, (A) to examine and make copies of and abstracts from its records, books of account and documents (including computer tapes and disks) relating to the Receivables and other Receivable Assets and (B) with respect to the Servicer, following the termination of its appointment as Servicer to be present at its offices and properties to administer and control the collection of the Receivables and to allow the Lender access to documents, instruments and other records, equipment and personnel that are necessary to enable a Successor Servicer to continue servicing operations in accordance with the terms of this Agreement and (ii) permit the Lender or any of its agents or representatives to visit its properties to discuss its affairs, finances and accounts relating to the Receivables and other Receivable Assets or its performance hereunder or under any of the other Related Documents to which it is a party with any of its officers or directors and with its independent public accountants; provided that the Lender shall notify the Borrower or the Servicer, as the case may be, prior to any contact with such accountants and shall give the Borrower or the Servicer, as the case may be, the opportunity to participate in such discussions; and provided further that, except as otherwise provided in Section 14.04(b) hereof, any such examination or visit shall be at the cost and expense of the party or parties making such examination or visit, including without limitation any costs incurred in respect of fees of such independent public accountants.

(c) Collection of Transferred Receivables. Except as otherwise provided in this Section 8.05(c), the Servicer shall continue to collect or cause to be collected, at its sole cost and expense, all amounts due or to become due to the Borrower under the Transferred Receivables, the Borrower Assigned Agreements and any other Borrower Collateral. In connection therewith, the Borrower and the Servicer shall take such action as it, and from and after the occurrence and during the continuance of a Termination Event, the Lender, may deem necessary or desirable to enforce collection of the Transferred Receivables, the Borrower Assigned Agreements and the other Borrower Collateral; provided that the Borrower or the Servicer may, rather than commencing any such action or taking any other enforcement action, at its option, elect to pay to the Lender, for deposit into the Collection Account, an amount equal to the Outstanding Balance of any such Transferred Receivable; provided, further, that if an Incipient Termination Event or a Termination Event shall have occurred and be continuing, then the Lender may, without prior notice to the Borrower or the Servicer, notify any Obligor under any Transferred Receivable or obligors under the Borrower Assigned Agreements of the pledge of such Transferred Receivables or Borrower Assigned Agreements, as the case may be, to the Lender hereunder and direct that payments of all amounts due or to become due to the Borrower

thereunder be made directly to the Lender or any servicer, collection agent or lockbox or other account designated by the Lender and, upon such notification and at the sole cost and expense of the Borrower, the Lender may enforce collection of any such Transferred Receivable or the Borrower Assigned Agreements and adjust, settle or compromise the amount or payment thereof. The Lender shall provide prompt notice to the Borrower and the Servicer of any such notification of pledge or direction of payment to the Obligors under any Transferred Receivables.

(d) Performance of Borrower Assigned Agreements. Each of the Borrower and the Servicer shall perform and observe all the terms and provisions of the Borrower Assigned Agreements to be performed or observed by it, maintain the Borrower Assigned Agreements in full force and effect, enforce the Borrower Assigned Agreements in accordance with their terms and take all action as may from time to time be reasonably requested by the Lender in order to accomplish the foregoing.

#### ARTICLE IX.

##### TERMINATION EVENTS

Section 9.01. Termination Events. If any of the following events (each, a "Termination Event") shall occur (regardless of the reason therefor):

(a) (i) the Borrower shall fail to make any payment in respect of principal or interest when due and payable (including, without limitation, payments required to be made in respect of a Funding Excess pursuant to the terms of Section 2.11 hereof) and the same shall remain unremedied for five (5) Business Days or more, or (ii) the Borrower shall fail to make any payment of any other monetary Borrower Obligation when due and payable and the same shall remain unremedied for five (5) Business Days or more after the earlier to occur of (x) the date on which a Responsible Officer of the Borrower obtains knowledge of such failure and (y) the date on which written notice of such failure is given to the Borrower by the Lender; or

(b) the Borrower shall fail or neglect to perform, keep or observe any covenant or other provision of this Agreement or the other Related Documents (other than any provision embodied in or covered by any other clause of this Section 9.01) and the same shall remain unremedied for thirty (30) days or more after the earlier to occur of (x) the date on which a Responsible Officer of the Borrower obtains actual knowledge of such failure and (y) the date on which written notice of such failure is given to the Borrower by the Lender; or

(c) any representation or warranty made by the Borrower in this Agreement shall prove to have been incorrect in any material respect when made or deemed made and the same shall continue to be incorrect for thirty (30) days or more after the earlier to occur of (x) the date on which a Responsible Officer of the Borrower or the Servicer obtains actual knowledge of such failure and (y) the date on which written notice of such failure is given to the Borrower by the Lender; or

(d) (i) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Borrower in an involuntary case under the Bankruptcy Code or any applicable bankruptcy, insolvency or other similar law now or hereafter in effect (the Bankruptcy

Code and all other such applicable laws being, collectively, "Applicable Insolvency Laws"), which decree or order is not stayed or any other similar relief shall be granted under any applicable federal or state law now or hereafter in effect and shall not be stayed; (ii) (A) an involuntary case is commenced against the Borrower under any Applicable Insolvency Law now or hereafter in effect, a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over the Borrower or over all or a substantial part of the property of the Borrower shall have been entered, an interim receiver, trustee or other custodian of the Borrower for all or a substantial part of the property of the Borrower is involuntarily appointed, a warrant of attachment, execution or similar process is issued against any substantial part of the property of the Borrower, and (B) any event referred to in clause (ii) (A) above continues for 60 days unless dismissed, bonded or discharged; provided, however, that such 60-day period shall be deemed terminated immediately upon the occurrence of any of the events referred to in this Section 9.01(d) other than those referred to in clause (ii) (A) above; and (iii) the Borrower shall at its request have a decree or an order for relief entered with respect to it or commence a voluntary case under any Applicable Insolvency Law, consent to the entry of a decree or an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any Applicable Insolvency Law, consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; (iv) the making by the Borrower of any general assignment for the benefit of creditors; (v) the inability or failure of the Borrower generally to pay its debts as such debts become due; or (vi) the board of directors of the Borrower adopts any resolution or otherwise authorizes action to approve any of the foregoing;

(e) a final judgment or judgments for the payment of money (to the extent not bonded or covered by insurance to the reasonable satisfaction of the Lender) in an aggregate amount greater than the lesser of (x) 7.25% of the consolidated tangible net worth of Ingram Micro at the end of the most recently ended fiscal quarter and (y) \$80,000,000, shall be rendered against any Originator or the Servicer and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon assets or properties of the Servicer or such Originator to enforce any such judgment and no stay of enforcement shall be in effect;

(f) a final judgment or order for the payment of money (to the extent not bonded or covered by insurance to the reasonable satisfaction of the Lender) shall be rendered against the Borrower in an aggregate amount greater than \$100,000 and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon assets or properties of the Borrower to enforce any such judgment and no stay of enforcement shall be in effect; or

(g) any information contained in any Borrowing Base Certificate or any Borrowing Request is untrue or incorrect in any material respect; or

(h) a federal tax notice of a Lien shall have been filed against the Borrower unless there shall have been delivered to the Lender proof of release of such Lien;

(i) fifteen (15) days shall have elapsed after a Responsible Officer of the Borrower receives notice as to, or becomes aware of, a notice of a Lien having been filed by the PBGC against the Borrower under Section 412(n) of the IRC or Section 302(f) of ERISA for a failure to make a required installment or other payment to a plan to which Section 412(n) of the IRC or Section 302(f) of ERISA applies unless there shall have been delivered to the Lender proof of the release of such Lien;

(j) the Sale Agreement shall for any reason cease to evidence the transfer to the Borrower of the legal and equitable title to, and ownership of, the Transferred Receivables and other Receivable Assets; or

(k) except as otherwise expressly provided herein, the Sale Agreement shall have been modified, amended or terminated without the prior written consent of the Lender (which consent shall not be unreasonably withheld); or

(l) an Event of Servicer Termination shall have occurred and be continuing; or

(m) a Purchase Termination Event shall have occurred and be continuing;  
or

(n) the Lender shall cease to hold a first priority, perfected security interest in the Transferred Receivables and other Receivable Assets or any of the Borrower Collateral and such cessation would, individually or together with other cessations, have a Material Adverse Effect, a Borrower Material Adverse Effect or a Servicer Material Adverse Effect; or

(o) a Change of Control shall occur; or

(p) except as otherwise expressly permitted herein, the Borrower shall amend its certificate of incorporation without the express prior written consent of the Lender (which consent shall not be unreasonably withheld); or

(q) the Borrower shall have received an Election Notice pursuant to Section 2.01(d) of the Sale Agreement; or

(r) (i) the Default Ratio as of the last day of any Settlement Period shall exceed 5.00%; (ii) the Dilution Ratio as of the last day of any Settlement Period shall exceed 8.00%; or (iii) the Receivables Collection Turnover as of the last day of any Settlement Period shall exceed 36 days; or

(s) a default or breach shall occur of any of the financial covenants of Ingram Micro and its Subsidiaries set forth in Schedule 9.01(s) hereto; or

(t) this Agreement, the Parent Agreement or the Sale Agreement shall cease, for any reason, to be in full force and effect, or the Borrower, the Servicer or any Originator, or any Affiliate of any of the foregoing, shall so assert in writing;

then, and in any such event, the Lender may, by written notice to the Borrower, declare the Commitment Termination Date to have occurred without demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; provided, that the Commitment Termination Date shall automatically occur (i) upon the occurrence of any of the Termination Events described in Section 9.01(d) or (ii) five days after the occurrence of the Termination Event described in Section 9.01(a)(i) if the same shall not have been remedied by such time, in each case without demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower. Upon the occurrence of the Commitment Termination Date, all Borrower Obligations shall automatically be and become due and payable in full, without any action to be taken on the part of any Person.

Section 9.02. Events of Servicer Termination. If any of the following events (each, an "Event of Servicer Termination") shall occur (regardless of the reason therefor):

(a) the Servicer shall fail to make any payment required to be paid by it hereunder (it being acknowledged that for such purpose the responsibility of the Servicer is limited to payment of amounts actually received) and the same shall remain unremedied for five (5) Business Days or more after the earlier to occur of (1) the date on which a Responsible Officer of the Servicer obtains knowledge of such failure and (2) the date on which written notice of such failure, requiring the same to be remedied, is given to the Servicer by the Lender; or

(b) the Servicer shall (i) fail to deliver when due any of the reports required to be delivered pursuant to Section 5.02 and 7.08 or any other report related to the Receivables as required by the other Related Documents and the same shall remain unremedied for three (3) Business Days or (ii) fail or neglect to perform, keep or observe any other provision of this Agreement (other than any provision embodied in or covered by any other clause of this Section 9.02) and the same shall remain unremedied for thirty (30) days or more after the earlier to occur of (x) the date on which a Responsible Officer of the Servicer obtains actual knowledge of such failure and (y) the date on which written notice of such failure is given to the Servicer by the Lender; provided, that no Event of Servicer Termination shall be deemed to occur under this subsection with respect to a failure on the part of the Servicer if the Servicer shall have complied with the provisions of Section 12.02 with respect thereto; or

(c) any representation or warranty made by the Servicer in this Agreement shall prove to have been incorrect in any material respect when made or deemed made and the same shall continue to be incorrect for thirty (30) days or more after the earlier to occur of (x) the date on which a Responsible Officer of the Servicer obtains actual knowledge that such representation or warranty was incorrect in any material respect when made or deemed made and (y) the date on which written notice that such representation or warranty was incorrect in any material respect when made or deemed made is given to the Servicer by the Lender; provided, that no Event of Servicer Termination shall be deemed to occur under this subsection with respect to a failure on the part of the Servicer if the Servicer shall have complied with the provisions of Section 12.02 with respect thereto; or

(d) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Servicer in an involuntary case under any Applicable Insolvency Laws, which decree or order is not stayed, or any other similar relief shall be granted under any applicable federal or state law and shall not be stayed; (ii) an involuntary case is commenced against the Servicer under any Applicable Insolvency Laws, a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over the Servicer or over all or a substantial part of the property of the Servicer shall have been entered, an interim receiver, trustee or other custodian of the Servicer for all or a substantial part of the property of the Servicer is involuntarily appointed or a warrant of attachment, execution or similar process is issued against any substantial part of the property of the Servicer and the continuance of any such events in this clause (ii) for 60 days unless dismissed, bonded or discharged; (iii) the Servicer shall at its request have a decree or an order for relief entered with respect to it, commence a voluntary case under any Applicable Insolvency Laws, consent to the entry of a decree or an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or consent to the appointment of or taking possession by a receiver, trustee or other custodian of all or a substantial part of its property; (iv) the making by the Servicer of any general assignment for the benefit of creditors; (v) the inability or failure of the Servicer generally to pay its debts as such debts become due; or (vi) the board of directors of the Servicer adopts any resolution or otherwise authorizes action to approve any of the foregoing; or

(e) any information contained in any Monthly Report is untrue or incorrect in any material respect; or

(f) a Termination Event (other than Termination Events set forth in Sections 9.01(b), (c), (n) and (o)) shall have occurred or this Agreement shall have been terminated; or

(g) at a time when a Termination Event or Incipient Termination Event shall have occurred and is continuing, the Servicer delivers to the Lender an Officer's Certificate regarding a proposed sale of Defaulted Receivables pursuant to Section 5.03(a) of this Agreement;

then, and in any such event, the Lender may, by delivery of a Servicer Termination Notice to the Borrower and the Servicer, terminate all or any part of the servicing responsibilities of the Servicer hereunder, without demand, protest or further notice of any kind, all of which are hereby waived by the Servicer. Upon the delivery of any such notice, all authority and power of the Servicer under this Agreement and the Sale Agreement shall pass to and be vested in the Successor Servicer acting pursuant to Section 11.02; provided, that notwithstanding anything to the contrary herein, the Servicer agrees to continue to follow the procedures set forth in Section 7.02 with respect to Collections on the Transferred Receivables until a Successor Servicer has assumed the responsibilities and obligations of the Servicer in accordance with Section 11.02.

ARTICLE X.

REMEDIES

Section 10.01. Actions Upon Termination Event. If any Termination Event shall have occurred and be continuing and the Lender shall have declared the Commitment Termination Date to have occurred or the Commitment Termination Date shall be deemed to have occurred pursuant to Section 9.01, then the Lender may exercise in respect of the Borrower Collateral, in addition to any and all other rights and remedies granted to it hereunder, under any other Related Document or under any other instrument or agreement securing, evidencing or relating to the Borrower Obligations or otherwise available to it, all of the rights and remedies of a secured party upon default under the UCC (such rights and remedies to be cumulative and nonexclusive), and, in addition, may take the following actions:

(a) The Lender may, without notice to the Borrower except as required by law and at any time or from time to time, charge, offset or otherwise apply amounts payable to the Borrower from the Collection Account, the Borrower Account or any Lockbox Account against all or any part of the Borrower Obligations.

(b) The Lender may, without notice except as specified below, solicit and accept bids for and sell the Borrower Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or the Lender's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Lender may deem commercially reasonable. The Lender shall have the right to conduct such sales on the Borrower's premises or elsewhere and shall have the right to use any of the Borrower's premises without charge for such sales at such time or times as the Lender deems necessary or advisable. The Borrower agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to the Borrower of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Lender shall not be obligated to make any sale of Borrower Collateral regardless of notice of sale having been given. The Lender may adjourn any public or private sale from time to time by announcement at the time and place fixed for such sale, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Every such sale shall operate to divest all right, title, interest, claim and demand whatsoever of the Borrower in and to the Borrower Collateral so sold, and shall be a perpetual bar, both at law and in equity, against each Originator, the Borrower, any Person claiming the Borrower Collateral sold through any Originator or the Borrower, and their respective successors or assigns. The Lender shall deposit the net proceeds of any such sale in the Collection Account and such proceeds shall be applied against all or any part of the Borrower Obligations.

(c) Upon the completion of any sale under Section 10.01(b), the Borrower or the Servicer shall deliver or cause to be delivered to the purchaser or purchasers at such sale on the date thereof, or within a reasonable time thereafter if it shall be impracticable to make immediate delivery, all of the Borrower Collateral sold on such date, but in any event full title and right of possession to such property shall vest in such purchaser or purchasers upon the completion of such sale. Nevertheless, if so requested by the Lender or by any such purchaser, the Borrower shall confirm any such sale or transfer by executing and delivering to such purchaser all proper instruments of conveyance and transfer and releases as may be designated in any such request.

(d) At any sale under Section 10.01(b), the Lender may bid for and purchase the property offered for sale and, upon compliance with the terms of sale, may hold, retain and dispose of such property without further accountability therefor.

(e) The Lender may (but in no event shall be obligated to) exercise, at the sole cost and expense of the Borrower, any and all rights and remedies of the Borrower under or in connection with the Borrower Assigned Agreements or the other Borrower Collateral, including any and all rights of the Borrower to demand or otherwise require payment of any amount under, or performance of any provisions of, the Borrower Assigned Agreements.

Section 10.02. Exercise of Remedies. No failure or delay on the part of the Lender in exercising any right, power or privilege under this Agreement and no course of dealing between any Originator, the Borrower or the Servicer, on the one hand, and the Lender, on the other hand, shall operate as a waiver of such right, power or privilege, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. The rights and remedies under this Agreement are cumulative, may be exercised singly or concurrently, and are not exclusive of any rights or remedies that the Lender would otherwise have at law or in equity. No notice to or demand on any party hereto shall entitle such party to any other or further notice or demand in similar or other circumstances, or constitute a waiver of the right of the party providing such notice or making such demand to any other or further action in any circumstances without notice or demand.

Section 10.03. Power of Attorney. On the Effective Date, each of the Borrower and the Servicer shall execute and deliver a power of attorney substantially in the form attached hereto as Exhibit 10.03 (each, a "Power of Attorney"). The power of attorney granted pursuant to each Power of Attorney is a power coupled with an interest and shall be irrevocable until this Agreement has terminated in accordance with its terms and all of the Borrower Obligations are indefeasibly paid or otherwise satisfied in full. The powers conferred on the Lender under each Power of Attorney are solely to protect the Liens of the Lender upon and interests in the Borrower Collateral and shall not impose any duty upon the Lender to exercise any such powers. The Lender shall not be accountable for any amount other than amounts that it actually receives as a result of the exercise of such powers and none of the Lender's officers, directors, employees, agents or representatives shall be responsible to the Borrower, any Originator, the Servicer or any other Person for any act or failure to act, except to the extent of damages attributable to their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction.

Section 10.04. Continuing Security Interest. This Agreement shall create a continuing Lien in the Borrower Collateral until the Termination Date.

ARTICLE XI.

SUCCESSOR SERVICER PROVISIONS

Section 11.01. Servicer Not to Resign. The Servicer shall not resign from the obligations and duties hereby imposed on it except upon a determination that (a) the performance of its duties hereunder has become impermissible under applicable law or regulation and (b) there is no reasonable action that the Servicer could take to make the performance of its duties hereunder become permissible under applicable law. Any such determination shall (i) with respect to clause (a) above, be evidenced by an opinion of counsel to such effect and (ii) with respect to clause (b) above, be evidenced by an Officer's Certificate to such effect, in each case delivered to the Lender.

Section 11.02. Appointment of the Successor Servicer. In connection with the termination of the Servicer's responsibilities or the resignation by the Servicer under this Agreement pursuant to Sections 9.02 or 11.01, the Lender (a) shall succeed to and assume all of the Servicer's responsibilities, rights, duties and obligations as Servicer (but not in any other capacity, including specifically not the obligations of the Servicer set forth in Section 12.02) under this Agreement (and except that the Lender makes no representations and warranties pursuant to Section 4.02) and (b) may at any time appoint a successor servicer to the Servicer that shall be acceptable to the Lender and shall succeed to all rights and assume all of the responsibilities, duties and liabilities of the Servicer under this Agreement (the Lender, in such capacity, or such successor servicer being referred to as the "Successor Servicer"); provided, that the Successor Servicer shall have no responsibility for any actions of the Servicer prior to the date of its appointment or assumption of duties as Successor Servicer. In selecting a Successor Servicer, the Lender may obtain bids from any potential Successor Servicer and may agree to any bid it deems appropriate; provided, that the Successor Servicer shall not be a direct competitor of Ingram Micro (except for affiliates of the Lender other than GE's IT Solutions business) unless such restriction is waived by Ingram Micro. The Successor Servicer shall accept its appointment by executing, acknowledging and delivering to the Lender an instrument in form and substance acceptable to the Lender.

Section 11.03. Duties of the Servicer. The Servicer covenants and agrees that, following the appointment of, or assumption of duties by, a Successor Servicer:

(a) The Servicer shall terminate its activities as Servicer hereunder in a manner that facilitates the transfer of servicing duties to the Successor Servicer and is otherwise acceptable to the Lender and, without limiting the generality of the foregoing, shall timely deliver (i) any funds to the Lender that were required to be remitted to the Lender for deposit in the Collection Account and (ii) all Servicing Records and other information with respect to the Transferred Receivables to the Successor Servicer at a place selected by the Successor Servicer. The Servicer shall account for all funds and shall execute and deliver such instruments and do such other things as may be reasonably required to vest and confirm in the Successor Servicer all rights, powers, duties, responsibilities, obligations and liabilities of the Servicer.

(b) The Servicer shall terminate each existing Sub-Servicing Agreement and the Successor Servicer shall not be deemed to have assumed any of the Servicer's interests therein or to have replaced the Servicer as a party thereto.

Section 11.04. Effect of Termination or Resignation. Any termination of or resignation by the Servicer hereunder shall not affect any claims that the Borrower or the Lender may have against the Servicer for events or actions taken or not taken by the Servicer arising prior to any such termination or resignation.

## ARTICLE XII.

### INDEMNIFICATION

#### Section 12.01. Indemnities by the Borrower.

(a) Without limiting any other rights that the Lender may have hereunder or under applicable law, the Borrower hereby agrees to indemnify the Lender and any of its agents, officers, directors and employees (each, a "Lender Indemnified Person") from and against any and all Indemnified Amounts that may be awarded against or incurred by any such Lender Indemnified Person in connection with the entering into or performance of this Agreement or any other Related Document (other than any action successfully brought by or on behalf of the Borrower with respect to any determination by the Lender not to fund any Advance or any action by the Lender to terminate or reduce the Commitment in violation of the terms of this Agreement); provided, that the Borrower shall not be liable for any indemnification to a Lender Indemnified Person (1) to the extent that any such Indemnified Amount results from such Lender Indemnified Person's gross negligence or willful misconduct, (2) to the extent otherwise provided for in Sections 2.08(f) and 2.09, (3) in respect of special, punitive, exemplary or consequential damages under this Section 12.01, except to the extent that such damages are imposed on a Lender Indemnified Person as a result of claims in respect of Indemnified Amounts asserted by an unaffiliated Person not party to any of the Related Documents or any of the transactions contemplated thereby, or (4) to the extent that any such Indemnified Amount constitutes recourse (except as otherwise specifically provided herein or in any other Related Document) for Charged-Off Receivables.

(b) In case any proceeding by any Person shall be instituted involving any Lender Indemnified Person in respect of which indemnity may be sought pursuant to subsection (a) of this Section 12.01, such Lender Indemnified Person shall promptly notify the Borrower, and the Borrower, upon request of the Lender Indemnified Person, shall retain counsel reasonably satisfactory to such Lender Indemnified Person to represent such Lender Indemnified Person and shall pay the reasonable fees and disbursements of such counsel related to such proceeding. In any such proceeding, any Lender Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Lender Indemnified Person unless (i) the Borrower has agreed to pay such fees and expenses, (ii) the Borrower shall have failed to assume the defense of such action or proceeding and employ counsel reasonably satisfactory to the Lender in any such action or proceeding or (iii) the named parties to any such action or proceeding (including any impleaded parties) include both the Lender Indemnified Person and the Borrower, and the Lender Indemnified Person shall have been advised by counsel that (A) there may be one or more legal defenses available to it which are different from or additional to those available to the Borrower and (B) the representation of the Borrower and the Lender Indemnified Person by the same counsel would be inappropriate or

contrary to prudent practice (in which case, if the Lender Indemnified Person notifies the Borrower in writing that it elects to employ separate counsel at the expense of the Borrower, the Borrower shall not have the right to assume the defense of such action or proceeding on behalf of such Lender Indemnified Person, it being understood, however, that the Borrower shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys at any time (in addition to local counsel, if necessary) for the Lender Indemnified Persons, which firm (or firms) shall be designated in writing by the Lender). The Borrower shall not be liable for any settlement of any such action or proceeding effected without its written consent to the extent that any such settlement shall be prejudicial to the Borrower, but, if settled with its written consent, or if there be a final judgment for the plaintiff in any such action or proceeding with respect to which the Borrower shall have received notice in accordance with this subsection (b), the Borrower agrees to indemnify and hold the Lender Indemnified Persons harmless from and against any loss or liability by reason of such settlement or judgment.

(c) Any payments to be made by the Borrower pursuant to this Section 12.01 shall not constitute a general recourse claim against the Borrower then due at any time during the period of one year and one day following the date on which all Borrower Obligations have been paid in full, except to the extent that funds are available (including, but not limited to, funds available to the Borrower pursuant to the exercise of its right to indemnity and other payments pursuant to the Sale Agreement) to the Borrower to make such payments.

Section 12.02. Indemnities by the Servicer. The Servicer hereby agrees to indemnify and hold harmless each Lender Indemnified Person, the Borrower and any of its officers, directors, employees or agents (each, an "Indemnified Person") from and against any loss, liability, expense, damage or injury suffered or sustained by reason of any acts, omissions or alleged acts or omissions arising out of, or relating to, its activities pursuant to this Agreement, including, but not limited to, any judgment, award, settlement, reasonable attorneys fees and other reasonable costs or expenses incurred in connection therewith; provided that the Servicer shall not indemnify any Indemnified Person for any liability, cost or expense of such Indemnified Person (i) arising from a default by an Obligor with respect to any Receivable (except that indemnification shall be made to the extent that such default arises out of the Servicer's failure to perform its duties or obligations under this Agreement), (ii) to the extent that such liability, cost or expense arises from the gross negligence, bad faith or willful misconduct of such Indemnified Person, or (iii) with respect to any federal, state or local income or franchise taxes or any other taxes imposed on or measured by income (or any interest or penalties or additions with respect thereto) required to be paid by the Lender in connection herewith to any taxing authority. The provisions of this indemnity shall run directly to, and be enforceable by, any injured party and shall survive the termination of this Agreement or the resignation of the Servicer. In addition to the foregoing, the Servicer shall indemnify and hold harmless each Indemnified Person from and against any loss, liability, expense, damage or injury suffered or sustained by reason of a breach by the Servicer of any covenant contained in this Agreement that materially adversely affects the interests of the Borrower or the Lender under this Agreement and the other Related Documents with respect to any Receivable (an "Indemnification Event"), in an amount equal to the Outstanding Balance at such time of such Receivable. Payment shall occur

on or prior to the 30th Business Day after the day such Indemnification Event becomes known to the Servicer unless such Indemnification Event shall have been cured on or before such day.

ARTICLE XIII.

[RESERVED]

ARTICLE XIV.

MISCELLANEOUS

Section 14.01. Notices. Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other parties, or whenever any of the parties desires to give or serve upon any other parties any communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be deemed to have been validly served, given or delivered (a) upon the earlier of actual receipt and three Business Days after deposit in the United States Mail, registered or certified mail, return receipt requested, with proper postage prepaid, (b) upon receipt, when sent by facsimile (with receipt of such facsimile promptly confirmed by delivery of a copy by personal delivery or United States Mail as otherwise provided in this Section 14.01), (c) one Business Day after deposit with a reputable overnight courier with all charges prepaid or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address or facsimile number set forth on Schedule 14.01 hereto or to such other address (or facsimile number) as may be substituted by notice given as herein provided. The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice. Subject to the immediately succeeding sentence, failure or delay in delivering copies of any notice, demand, request, consent, approval, declaration or other communication to any Person designated in any written notice provided hereunder to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, approval, declaration or other communication. Notwithstanding the foregoing, whenever it is provided herein that a notice is to be given to any other party hereto by a specific time, such notice shall only be effective on the date of receipt if actually received by such party at or prior to such time, and if such notice is received after such time or on a day other than a Business Day, such notice shall only be effective on the immediately succeeding Business Day.

Section 14.02. Binding Effect; Assignability.

(a) This Agreement shall be binding upon and inure to the benefit of the Borrower, the Servicer and the Lender and their respective successors and permitted assigns. Neither the Borrower nor the Servicer may assign, transfer, hypothecate or otherwise convey any of their respective rights or obligations hereunder or interests herein without the express prior written consent of the Lender. Any such purported assignment, transfer, hypothecation or other conveyance by the Borrower or the Servicer without the prior express written consent of the Lender shall be void.

(b) The Lender may at any time grant to one or more banks or other institutions (each, a "Participant") participating interests in the Commitment or any or all of the Advances in an amount at least equal to \$5,000,000, with (and subject to) the written consent of the Borrower, which consent shall not be unreasonably withheld. In the event of any such grant by the Lender of a participating interest to a Participant, the Lender shall remain responsible for the performance of its obligations hereunder, and the Borrower shall continue to deal directly with the Lender in connection with the Lender's rights and obligations under this Agreement. Each Participant shall be entitled to the benefits of Sections 2.08(f), 2.09, 2.10 and 12.01, but shall not be entitled to receive any greater payment under any of such Sections than the Lender would have been entitled to receive with respect to the rights transferred. Any agreement pursuant to which the Lender may grant such a participating interest shall provide that the Lender shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement; provided that such participation agreement may provide that the Lender will not agree to any modification, amendment or waiver of this Agreement with respect to (i) any reduction in the principal amount of, or interest rate or Fees payable with respect to, any Advance in which such holder participates, (ii) any extension of any scheduled payment of the principal amount of any Advance in which such holder participates or the final maturity date thereof, and (iii) any release of all or substantially all of the Borrower Collateral (other than in accordance with the terms of this Agreement or the other Related Documents).

(c) Except as expressly provided in this Section 14.02, the Lender shall not be relieved of any of its obligations hereunder as a result of any sale, assignment, transfer or negotiation of, or granting of participation in, all or any part of the Advances, the Revolving Note or other Borrower Obligations owed to the Lender (it being understood that nothing in this subsection (c) shall be construed to permit any transfer except those expressly contemplated by subsection (b) above).

(d) The Borrower shall assist the Lender permitted to sell participations under this Section 14.02 as reasonably required to enable the selling Lender to effect any such participation, including the execution and delivery of any and all agreements, notes and other documents and instruments as shall be reasonably requested and the participation of management in meetings with potential assignees or participants. The Borrower shall, if the Lender so requests in connection with an initial syndication of the Advances hereunder, assist in the preparation of informational materials for such syndication.

(e) The Lender may furnish any information concerning the Borrower in the possession of the Lender from time to time to participants (including prospective participants). The Lender shall obtain from all prospective and actual participants confidentiality covenants substantially equivalent to those contained in Section 14.05.

Section 14.03. Termination; Survival of Borrower Obligations Upon Commitment Termination Date.

(a) This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms, and shall remain in full force and effect until the Termination Date.

(b) Except as otherwise expressly provided herein or in any other Related Document, no termination or cancellation (regardless of cause or procedure) of any commitment made by the Lender under this Agreement shall in any way affect or impair the obligations, duties and liabilities of the Borrower or the Servicer or the rights of any Affected Party relating to any unpaid portion of the Borrower Obligations, due or not due, liquidated, contingent or unliquidated or any transaction or event occurring prior to such termination, or any transaction or event, the performance of which is required after the Commitment Termination Date. Except as otherwise expressly provided herein or in any other Related Document, all undertakings, agreements, covenants, warranties and representations of or binding upon the Borrower or the Servicer, and all rights of any Affected Party hereunder, all as contained in the Related Documents, shall not terminate or expire, but rather shall survive any such termination or cancellation and shall continue in full force and effect until the Termination Date; provided, that the rights and remedies provided for herein with respect to any breach of any representation or warranty made by the Borrower or the Servicer pursuant to Article IV, the indemnification and payment provisions of Article XII and Sections 14.04, 14.05 and 14.06 shall be continuing and shall survive the Termination Date.

Section 14.04. Costs, Expenses and Taxes. (a) The Borrower agrees to pay all reasonable fees and out-of-pocket costs and expenses of the Lender (including, without limitation, reasonable fees and disbursements of counsel to the Lender) in connection with (i) the preparation, execution and delivery of this Agreement and the other Related Documents and amendments or waivers of any such documents, (ii) the enforcement by the Lender of the obligations and liabilities of the Borrower and the Servicer under this Agreement or any Related Document and (iii) any restructuring or workout of this Agreement or any Related Document.

(b) (i) Prior to the occurrence and continuance of a Termination Event, the Borrower agrees to pay reasonable fees, out-of-pocket costs and expenses incurred by representatives of the Lender, in an aggregate amount not to exceed \$35,000 in any calendar year, in connection with any inspection of the Borrower's or the Servicer's offices, properties, books and records and/or any discussions with the officers, employees and independent public accountants of the Borrower or the Servicer.

(ii) Following the occurrence and during the continuance of a Termination Event, the Borrower agrees to pay reasonable fees and out-of-pocket costs and expenses of representatives of the Lender in connection with any inspection of the Borrower's or the Servicer's offices, properties, books and records and any discussions with the officers, employees and the independent public accountants of the Borrower or the Servicer.

Section 14.05. Confidentiality.

(a) Except to the extent otherwise required by applicable law or regulation or subpoena or similar legal process or as required to be filed publicly with the Securities and Exchange Commission, or unless the Lender shall otherwise consent in writing, the Borrower and the Servicer each agrees to maintain the confidentiality of this Agreement (and all drafts hereof and documents ancillary hereto), in its communications with third parties other than any Affected Party or any Indemnified Person and otherwise and not to disclose, deliver or otherwise make available to any third party (other than its directors, officers, employees, accountants or counsel or ratings agencies or credit insurance providers) the original or any copy of all or any part of this Agreement (or any draft hereof and documents ancillary hereto) except to an Affected Party or an Indemnified Person.

(b) The Borrower and the Servicer each agrees that it shall not (and shall not permit any of its Subsidiaries to) issue any news release or make any public announcement pertaining to the transactions contemplated by this Agreement and the other Related Documents without the prior written consent of the Lender (which consent shall not be unreasonably withheld) unless such news release or public announcement is required by law, in which case the Borrower or the Servicer, as applicable, shall consult with the Lender prior to the issuance of such news release or public announcement. The Borrower may, however, disclose the general terms of the transactions contemplated by this Agreement and the other Related Documents to trade creditors, suppliers and other similarly-situated Persons so long as such disclosure is not in the form of a news release or public announcement.

(c) The Lender agrees to maintain the confidentiality of the Information (as defined below), and will not use such confidential Information for any purpose or in any matter except in connection with this Agreement, except that Information may be disclosed (1) to (i) each Affected Party and (ii) its and each Affected Party's and their respective Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential and to not disclose or use such Information in violation of Regulation FD (17 C.F.R. Section 243.100-243.103)), (2) any regulatory authority (it being understood that it will to the extent reasonably practicable provide the Borrower with an opportunity to request confidential treatment from such regulatory authority), (3) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (4) to any other party to this Agreement, (5) to the extent required in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or any other Related Document or the enforcement of rights hereunder or thereunder, (6) subject to an agreement containing provisions substantially the same as those of this Section, to any participant in, or any prospective participant in, any of its rights or obligations under this Agreement, (7) with the consent of the Borrower or (8) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or any other confidentiality agreement to which the Lender is party with the Borrower or the Parent or any subsidiary thereof or (ii) becomes available to the Lender on a nonconfidential basis from a source other than the Parent or any subsidiary thereof. For the purposes of this Section, "Information" means all information received from or on behalf of the Borrower and the Servicer relating to the Borrower, the Servicer, the Parent or any subsidiary thereof or their businesses, or any Obligor, other than any such information that is available to the Lender on a

nonconfidential basis prior to disclosure by the Borrower or Servicer; provided that in the case of information (other than any information related to an Obligor or financial projections) received from the Borrower or Servicer after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Section 14.06. Complete Agreement; Modification of Agreement. This Agreement and the other Related Documents constitute the complete agreement among the parties hereto with respect to the subject matter hereof and thereof, supersede all prior agreements and understandings relating to the subject matter hereof and thereof, and may not be modified, altered or amended except as set forth in Section 14.07.

Section 14.07. Amendments and Waivers.

(a) Except for actions expressly permitted to be taken by the Lender, no amendment, modification, termination or waiver of any provision of this Agreement or the Revolving Note, or any consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Borrower and the Lender.

(b) Each amendment, modification, termination or waiver shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

(c) Upon indefeasible payment in full in cash and performance of all of the Borrower Obligations (other than indemnification Borrower Obligations under Section 12.01), termination of the Commitment and a release of all claims against the Lender, and so long as no suits, actions, proceedings or claims are pending or threatened against any Indemnified Person asserting any damages, losses or liabilities that are Indemnified Liabilities, the Lender shall deliver to the Borrower termination statements and other documents necessary or appropriate to evidence the termination of the Liens securing payment of the Borrower Obligations.

Section 14.08. No Waiver; Remedies. The failure by the Lender, at any time or times, to require strict performance by the Borrower or the Servicer of any provision of this Agreement, any Receivables Assignment or any other Related Document shall not waive, affect or diminish any right of the Lender thereafter to demand strict compliance and performance herewith or therewith. Any suspension or waiver of any breach or default hereunder shall not suspend, waive or affect any other breach or default whether the same is prior or subsequent thereto and whether the same or of a different type. None of the undertakings, agreements, warranties, covenants and representations of the Borrower or the Servicer contained in this Agreement, any Receivables Assignment or any other Related Document, and no breach or default by the Borrower or the Servicer hereunder or thereunder, shall be deemed to have been suspended or waived by the Lender unless such waiver or suspension is by an instrument in writing signed by an officer of or other duly authorized signatory of the Lender and directed to

the Borrower or the Servicer, as applicable, specifying such suspension or waiver. The rights and remedies of the Lender under this Agreement and the other Related Documents shall be cumulative and nonexclusive of any other rights and remedies that the Lender may have hereunder, thereunder, under any other agreement, by operation of law or otherwise. Recourse to the Borrower Collateral shall not be required.

Section 14.09. GOVERNING LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL.

(a) THIS AGREEMENT AND EACH OTHER RELATED DOCUMENT (EXCEPT TO THE EXTENT THAT ANY RELATED DOCUMENT EXPRESSLY PROVIDES TO THE CONTRARY) AND THE OBLIGATIONS ARISING HEREUNDER AND THEREUNDER SHALL IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAWS BUT OTHERWISE WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES) EXCEPT TO THE EXTENT THAT THE PERFECTION, EFFECT OF PERFECTION OR PRIORITY OF THE INTERESTS OF THE LENDER IN THE RECEIVABLES OR REMEDIES HEREUNDER OR THEREUNDER, IN RESPECT THEREOF, ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK, AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

(b) EACH PARTY HERETO HEREBY CONSENTS AND AGREES THAT THE STATE OR FEDERAL COURTS LOCATED IN THE BOROUGH OF MANHATTAN IN NEW YORK CITY SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THEM PERTAINING TO THIS AGREEMENT OR TO ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT; PROVIDED, THAT EACH PARTY HERETO ACKNOWLEDGES THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF THE BOROUGH OF MANHATTAN IN NEW YORK CITY; PROVIDED FURTHER THAT NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE THE LENDER FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO REALIZE ON THE BORROWER COLLATERAL OR ANY OTHER SECURITY FOR THE BORROWER OBLIGATIONS, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF THE LENDER. EACH PARTY HERETO SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND EACH PARTY HERETO HEREBY WAIVES, TO THE EXTENT PERMITTED BY LAW, ANY OBJECTION THAT SUCH PARTY MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. EACH PARTY HERETO HEREBY WAIVES

PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINT AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO SUCH PARTY AT THE ADDRESS PROVIDED FOR IN SECTION 14.01 HEREOF AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF SUCH PARTY'S ACTUAL RECEIPT THEREOF OR THREE DAYS AFTER DEPOSIT IN THE UNITED STATES MAIL, PROPER POSTAGE PREPAID. NOTHING IN THIS SECTION SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

(c) BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX FINANCIAL TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, THE PARTIES HERETO WAIVE, TO THE EXTENT PERMITTED BY LAW, ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 14.10. Counterparts. This Agreement may be executed in any number of separate counterparts, each of which shall collectively and separately constitute one agreement.

Section 14.11. Severability. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Section 14.12. Section Titles. The section, titles and table of contents contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

Section 14.13. Further Assurances.

(a) Each of the Borrower and the Servicer shall, at its sole cost and expense, upon request of the Lender, promptly and duly execute and deliver any and all further instruments and documents and take such further action that may be necessary or desirable or

that the Lender may reasonably request to (i) perfect, protect, preserve, continue and maintain fully the Liens granted to the Lender under this Agreement, (ii) enable the Lender to exercise and enforce its rights under this Agreement or any of the other Related Documents or (iii) otherwise carry out more effectively the provisions and purposes of this Agreement or any other Related Document. Without limiting the generality of the foregoing, the Borrower shall, upon request of the Lender, (A) authorize for filing such financing or continuation statements, or amendments thereto or assignments thereof, and execute such other instruments or notices, in each case that may be necessary or desirable or that the Lender may request to perfect, protect and preserve the Liens granted pursuant to this Agreement, free and clear of all Adverse Claims and (B) from and after the occurrence of a Termination Event, notify or cause the Servicer to notify Obligor of the Liens on the Transferred Receivables and other Receivable Assets granted hereunder.

(b) Without limiting the generality of the foregoing, the Borrower hereby authorizes the Lender to file one or more financing or continuation statements, or amendments thereto or assignments thereof, relating to all or any part of the Transferred Receivables and other Receivable Assets, including Collections with respect thereto, or the Borrower Collateral without the signature of the Borrower or, as applicable, the Lender to the extent permitted by applicable law. A carbon, photographic or other reproduction of this Agreement or of any notice or financing statement covering the Transferred Receivables and other Receivable Assets, the Borrower Collateral or any part thereof shall be sufficient as a notice or financing statement where permitted by law.

IN WITNESS WHEREOF, the parties have caused this Receivables Funding Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

INGRAM FUNDING INC., as the Borrower

By /s/ Kay Leyba

-----  
Name Kay Leyba  
Title Assistant Treasurer

INGRAM MICRO INC., as the Servicer

By /s/ P. Kurt Preising

-----  
Name P. Kurt Preising  
Title Senior Director and Worldwide  
Assistant Treasurer

Signature Page  
to  
Receivables Funding Agreement

GENERAL ELECTRIC CAPITAL CORPORATION,  
as Lender

By /s/ Eugene Seip

-----  
Name Eugene Seip

-----  
Duly Authorized Signatory

Signature Page  
to  
Receivables Funding Agreement

Financial Covenants

During any period in which the long-term senior unsecured debt of Ingram Micro is rated "BB" or lower by S&P or "Ba2" or lower by Moody's, Ingram Micro will not permit any of the following:

(i) the ratio of (x) Consolidated EBITDA for any period of four consecutive Fiscal Periods to (y) Consolidated Interest Charges for such period to be less than 2.5 to 1.0; provided that, for purposes of calculating the preceding ratio the contribution of any Subsidiary of Ingram Micro acquired (to the extent the acquisition is treated for accounting purposes as a purchase) during those four Fiscal Periods to Consolidated EBITDA shall be calculated on a pro forma basis as if it had been a Subsidiary of Ingram Micro during all of those four Fiscal Periods.

(ii) The Consolidated Tangible Net Worth at the end of any Fiscal Period to be less than the sum of (x) \$1,066,056,000, plus (y) 50% of Consolidated Net Income (without taking into account any losses incurred in any Fiscal Year) for each Fiscal Year ended on or after January 3, 2004.

Unless otherwise specifically defined below, each capitalized term used in this Schedule 9.01(s) has the meaning assigned to such term in the Funding Agreement.

"Business Improvement Program Charges" means, for any period, the aggregate business improvement program charges recorded in accordance with GAAP by Ingram Micro and its Consolidated Subsidiaries during such period with respect to the comprehensive business improvement program described in the September 18, 2002 press release of Ingram Micro.

"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 the Funding Agreement the amount of such obligation shall be the capitalized amount thereof determined in accordance with such FASB Statement 13.

"Cash Business Improvement Program Charges" means Business Improvement Program Charges that will require corresponding cash expenditure.

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

"Consolidated EBITDA" means, for any period, Consolidated Income (or Loss) from Operations for such period adjusted by adding thereto (a) the amount of all amortization of intangibles, depreciation and any other non-cash charges that were deducted in arriving at Consolidated Income (or Loss) from Operations for such period and (b) the amount of Cash Business Improvement Program Charges recorded in accordance with GAAP during such period;

provided that the cumulative amount of Cash Business Improvement Program Charges added may not exceed \$50,000,000.

"Consolidated Income (or Loss) from Operations" means, for any period, the amount of "income or loss from operations" (or any substituted or replacement line item) reflected on a consolidated statement of net income of Ingram Micro and its Consolidated Subsidiaries for such period 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 Ingram Micro and its Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of Ingram Micro and its Subsidiaries in accordance with GAAP):

(a) aggregate Net Interest Expense 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, plus

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

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

"Consolidated Liabilities" means, at any date, the sum of all obligations of Ingram 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 Ingram Micro and its Consolidated Subsidiaries as reflected on a statement of income of Ingram Micro and its Consolidated Subsidiaries for such period in accordance with GAAP.

"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 Ingram Micro from time to time in accordance with the Funding Agreement.

"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 Ingram Micro and its Consolidated Subsidiaries.

"Fiscal Period" means a fiscal period of Ingram 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 Ingram Micro, which currently ends on the Saturday nearest December 31.

"GAAP" means U.S. generally accepted accounting principles as of the date hereof; provided, however, that if, after the date hereof, there shall be any change in Ingram Micro's Fiscal Year or GAAP (whether such modification is adopted or imposed by the Federal Accounting Standards Board, 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 set forth in this Schedule 9.01(s), the parties hereto agree to promptly enter into negotiations in order to amend such financial covenants so as to reflect equitably such changes, with the desired result that the evaluations of Ingram Micro's financial condition shall be the same after such changes as if such changes had not been made; provided, further, that until the parties hereto have reached a definitive agreement on such amendments, Ingram Micro's financial condition shall continue to be evaluated on the same principles as those in effect on the date hereof.

"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.

"Net Interest Expense" means, for any applicable period, the aggregate interest expense of Ingram Micro and its Consolidated Subsidiaries (including computed interest on Capitalized Lease Liabilities) deducted in determining Consolidated Net Income for such period, net of interest income of Ingram Micro and its Consolidated Subsidiaries included in determining Consolidated Net Income for such applicable period.

"Person" means any natural person, company, partnership, firm, limited liability company or partnership, association, trust, government, government agency or any other entity, whether acting in an individual, fiduciary, or other capacity.

"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 Subsidiaries of such Person, or by one or more Subsidiaries of such Person.

ANNEX X

to

RECEIVABLES SALE AGREEMENT

and

RECEIVABLES FUNDING AGREEMENT

each dated as of

July 29, 2004

Definitions and Interpretation

SECTION 1. Definitions and Conventions. Capitalized terms used in the Sale Agreement and the Funding Agreement shall have (unless otherwise provided elsewhere therein) the following respective meanings:

"Additional Amounts" shall mean any amounts payable to any Affected Party under Sections 2.09 or 2.10 of the Funding Agreement.

"Additional Costs" shall have the meaning assigned to it in Section 2.09(b) of the Funding Agreement.

"Additional Originator Supplement" shall have the meaning assigned to it in Section 3.05(i) of the Sale Agreement.

"Adjustment Amount" shall have the meaning assigned to it in Section 2.06(a) of the Sale Agreement.

"Administrative Services Agreement" shall mean that certain Administrative Services Agreement dated as of the date hereof between the Borrower and the Parent, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Advance" shall have the meaning assigned to it in Section 2.01 of the Funding Agreement.

"Advance Date" shall mean each day on which any Advance is made.

"Adverse Claim" shall mean any claim of ownership or any Lien, other than any ownership interest or Lien created under the Related Documents.

"Affected Party" shall mean each of the following Persons: the Lender, the Depositary and each Affiliate of the foregoing Persons.

"Affiliate" shall mean, with respect to any specified Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such specified Person, or in any event, a Person which has the power to vote 25% or more of the securities having ordinary voting power for the election of directors of the specified Person. For purposes of this definition, "control" of a 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 or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Aged Receivables Ratio" shall mean, as of the last day of each Settlement Period, the percentage equivalent of a fraction, (i) the numerator of which shall be equal to the sum of (a) the aggregate Outstanding Balance of Receivables originated by the Originators that were 91 to 120 days past due as of

such day and (b) the aggregate Outstanding Balance of Charged-Off Receivables of the Originators that were charged off during such Settlement Period as uncollectible prior to the day that is 91 days after the original due date of each such Receivable, and (ii) the denominator of which shall be the aggregate Outstanding Balance of Receivables originated by the Originators during the fourth prior Settlement Period.

"Appendices" shall mean, with respect to any Related Document, all exhibits, schedules, annexes and other attachments thereto, or expressly identified thereto.

"Applicable Insolvency Laws" shall have the meaning assigned to it in Section 9.01(d) of the Funding Agreement.

"Applicable Margin" shall mean, as of any date of determination, the margin set forth in the table below opposite the then current long-term senior unsecured debt rating of Ingram Micro:

Long-Term Senior Unsecured Debt Rating of Ingram Micro -----	Applicable Margin -----
"BBB-" or higher by S&P and "Baa3" or higher by Moody's	0.70%
"BB+" or lower by S&P or "Ba1" or lower by Moody's	0.75%

"Bankruptcy Code" shall mean the provisions of title 11 of the United States Code, 11 U.S.C. Sections 101 et seq.

"Billed Amount" shall mean, with respect to any Receivable, the amount billed on the Billing Date to the Obligor thereunder.

"Billing Date" shall mean, with respect to any Receivable, the date on which the invoice with respect thereto was generated.

"Board" shall mean the Board of Governors of the Federal Reserve system of the United States of America.

"Borrower" shall mean Ingram Funding Inc., a Delaware corporation, in its capacity as Borrower under the Funding Agreement.

"Borrower Account" shall mean the account designated as such on Annex W to the Funding Agreement, which account shall be maintained at the Borrower Account Bank.

"Borrower Account Bank" shall mean the bank or other financial institution at which the Borrower Account is maintained. As of the Effective Date, the "Borrower Account Bank" is the financial institution identified as the "Borrower Account Bank" on Annex W to the Funding Agreement.

"Borrower Account Collateral" shall have the meaning assigned to it in Section 8.01(c) of the Funding Agreement.

"Borrower Assigned Agreements" shall have the meaning assigned to it in Section 8.01(b) of the Funding Agreement.

"Borrower Collateral" shall have the meaning assigned to it in Section 8.01 of the Funding Agreement.

"Borrower Material Adverse Effect" shall mean (i) any material impairment of the Borrower's ability to perform any of its material obligations or to comply with or conduct its business in accordance with any of its material representations, warranties, covenants or agreements under any Related Document or (ii) any material impairment of the interests, rights or remedies of the Lender against or with respect to the Borrower, in the Receivables or under any Related Document.

"Borrower Obligations" shall mean all loans, advances, debts, liabilities, indemnities and obligations for the performance of covenants, tasks or duties or for payment of monetary amounts (whether or not such performance is then required or contingent, or such amounts are liquidated or determinable) owing by the Borrower to any Affected Party under the Funding Agreement and any document or instrument delivered pursuant thereto, and all amendments, extensions or renewals thereof, and all covenants and duties regarding such amounts, of any kind or nature, present or future, whether or not evidenced by any note, agreement or other instrument, arising thereunder, including the Outstanding Principal Amount, interest, Unused Commitment Fees, amounts in reduction of Funding Excess, Successor Servicing Fees and Expenses, Additional Amounts and Indemnified Amounts. This term includes all principal, interest (including all interest that accrues after the commencement of any case or proceeding by or against the Borrower in bankruptcy, whether or not allowed in such case or proceeding), fees, charges, expenses, attorneys' fees and any other sum chargeable to the Borrower under any of the foregoing, whether now existing or hereafter arising, voluntary or involuntary, whether or not jointly owed with others, direct or indirect, absolute or contingent, liquidated or unliquidated, and whether or not from time to time decreased or extinguished and later increased, created or incurred, and all or any portion of such obligations that are paid to the extent all or any portion of such payment is avoided or recovered directly or indirectly from the Lender or any assignee of the Lender as a preference, fraudulent transfer or otherwise.

"Borrowing Base" means, as of any date of determination, the amount equal to

the lesser of:

(a) the Commitment, and

(b) the product of (1) the Dynamic Advance Rate multiplied by (2) the Net Receivables Balance;

in each case as disclosed in the most recently submitted Borrowing Base Certificate or Borrowing Request or as otherwise determined by the Lender in its good faith judgment based on Borrower Collateral information available to it, including any information obtained from any audit or from any other reports with respect to the Borrower Collateral, which determination shall be final, binding and conclusive on all parties to the Funding Agreement (absent manifest error).

"Borrowing Base Certificate" shall have the meaning assigned to it in Section 5.02(b) of the Funding Agreement.

"Borrowing Request" shall have the meaning assigned to it in Section 2.03(a) of the Funding Agreement.

"Breakage Costs" shall have the meaning assigned to it in Section 2.10 of the Funding Agreement.

"Business Day" shall mean any day that is not a Saturday, a Sunday or a day on which banks are required or permitted to be closed in the State of New York, the State of California or, with respect to any remittances to be made by a Lockbox Account Bank or to any related Lockbox Account, in the jurisdiction(s) in which the Lockbox Account(s) maintained by such Lockbox Account Bank is located.

"Buyer" shall mean Ingram Funding Inc., a Delaware corporation, in its capacity as Buyer under the Sale Agreement.

"Capital Lease" shall mean, with respect to any Person, any lease of any property (whether real, personal or mixed) by such Person as lessee that, in accordance with GAAP, would be required to be classified and accounted for as a capital lease on a balance sheet of such Person.

"Capital Lease Obligation" shall mean, with respect to any Capital Lease of any Person, the amount of the obligation of the lessee thereunder that, in accordance with GAAP, would appear on a balance sheet of such lessee in respect of such Capital Lease.

"Change of Control" shall mean the occurrence of any event the result of which causes Ingram Funding Inc. not to be a direct or indirect, wholly owned Subsidiary of Ingram Micro Inc.

"Charged-Off Receivables" shall mean, with respect to any Settlement Period, all Receivables which, in accordance with the Credit and Collection Policy, have been or should have been written off during such Settlement Period as uncollectible, including without limitation the Receivables of any Obligor (other than a Qualifying DIP Obligor) which becomes the subject of any voluntary or involuntary bankruptcy proceeding.

"Collection Account" shall mean account number 50-232-854 with the Depositary in the name of the Lender.

"Collections" shall mean, with respect to any Receivable, all cash collections and other proceeds of such Receivable (including late charges, fees and interest arising thereon, and all recoveries with respect thereto that have been written off as uncollectible).

"Commitment" shall mean the commitment of the Lender to make Advances, which commitment shall be Five Hundred Million Dollars (\$500,000,000) on the Effective Date, as such amount may be adjusted, if at all, from time to time in accordance with the Funding Agreement.

"Commitment Increase Notice" shall have the meaning assigned to it in Section 2.02(c) of the Funding Agreement.

"Commitment Reduction Notice" shall have the meaning assigned to it in Section 2.02(a) of the Funding Agreement.

"Commitment Termination Date" shall mean the earliest of (a) the date so designated pursuant to Section 9.01 of the Funding Agreement, (b) the Final Advance Date, and (c) the date of termination of the Commitment specified in a notice from the Borrower to the Lender delivered pursuant to and in accordance with Section 2.02(b) of the Funding Agreement.

"Commitment Termination Notice" shall have the meaning assigned to it in Section 2.02(b) of the Funding Agreement.

"Concentration Percentage" shall mean, with respect to an Obligor as of any date of determination, the General Concentration Percentage or, if applicable, the Special Concentration Percentage for such Obligor at such date of determination.

"Contract" shall mean any agreement or invoice pursuant to, or under which, an Obligor shall be obligated to make payments with respect to any Receivable.

"Contractual Obligation" shall mean, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Contributed Receivables" shall have the meaning assigned to it in Section 2.01(d) of the Sale Agreement.

"Credit Agreement" shall mean that certain Credit Agreement, dated as of December 13, 2002, among Ingram Micro, as an initial borrower and guarantor, Ingram European Coordination Center N.V., as an initial borrower, certain financial institutions party thereto, as lenders, The Bank of Nova Scotia, as administrative agent and ABN AMRO Bank N.V., as syndication agent, and as in effect on the Effective Date together with such amendments, restatements, supplements or modifications thereto, or any refinancings, replacements or refundings thereof.

"Credit and Collection Policy" shall mean the written credit and collection policy of the Servicer in effect on the Effective Date and attached as Exhibit A to the Funding Agreement, as the same may from time to time be amended, restated, supplemented or otherwise modified in accordance with the Related Documents.

"Days Sales Outstanding" shall mean, as of any Settlement Date and continuing until the next Settlement Date, the number of days equal to the product of (a) 91 and (b) the amount obtained by dividing (i) the aggregate Outstanding Balance of Receivables as of the last day of the Settlement Period immediately preceding such earlier Settlement Date, by (ii) the aggregate Outstanding Balance of Receivables generated by the Originators during the three Settlement Periods immediately preceding such earlier Settlement Date.

"DCM" shall refer to the operations categorized as the Direct Consumer Marketing from time to time on the internal records of Ingram Micro or any Subsidiary, which operations generally include the marketing of products to certain retailers engaged in mass marketing. The activities so categorized and the specific obligors included therein may change from time to time in the good faith determination of Ingram Micro or any Subsidiary.

"Debt" shall mean, with respect to any Person at any date, (a) all indebtedness of such Person for borrowed money, (b) any obligation owed for the deferred purchase price of property or services which purchase price is evidenced by a note or similar written instrument, (c) notes payable and drafts accepted representing extensions of credit whether or not representing obligations for borrowed money, (d) that portion of obligations of such Person under capital leases which is properly classified as a liability on a balance sheet in conformity with GAAP, (e) all liabilities of the type described in the foregoing clauses (a)

through (d) secured by any Lien on any property owned by such Person even though such Person has not assumed or otherwise become liable for the payment thereof and (f) guarantees made by such Person with respect to liabilities of the type described in the foregoing clauses (a) through (e).

"Default Rate" shall have the meaning assigned to such term in Section 2.06(b) of the Funding Agreement.

"Default Ratio" shall mean, as of any date of determination, the ratio (expressed as a percentage) of:

(a) the aggregate Outstanding Balance of all Defaulted Receivables as of the last day of the six Settlement Periods immediately preceding such date;

to

(b) the aggregate Outstanding Balance of all Transferred Receivables as of the last day of the six Settlement Periods immediately preceding such date.

"Defaulted Receivable" shall mean any Receivable (a) with respect to which any payment, or part thereof, remains unpaid for more than 60 days after its Maturity Date, or (b) which is a Charged-Off Receivable.

"Depository" has the meaning given such term in Section 6.01(b)(i) of the Funding Agreement.

"Dilution Adjustment" shall mean the amount (expressed in Dollars) by which the Outstanding Balance of a Receivable is reduced as a result of a Dilution Factor with respect to such Receivable.

"Dilution Adjustment Payment" has the meaning given such term in Section 2.05 of the Sale Agreement.

"Dilution Factors" shall mean, with respect to any Receivable, (x) any portion of such Receivable that was reduced, canceled or written-off as a result of any payments, rebates, discounts, refunds or adjustments (including without limitation, as a result of the application of any special or other discounts or any reconciliations) with respect to such Receivable, (y) the amount owing for any returns (including, without limitation, as a result of the return of any defective goods) or cancellations and (z) the amount of any other reduction of any payment under any Receivable, in each case granted or made by the Originator thereof to the related Obligor; provided that a "Dilution Factor" does not include any Charged-Off Receivable.

"Dilution Horizon" shall mean the number of days from the Billing Date of a Receivable until the earlier of (i) the date on which the Outstanding Balance of such Receivable is adjusted by the Borrower or the Servicer as a result of a Dilution Factor with respect to such Receivable and (ii) the date on which the Borrower or the Servicer receives notice that the Outstanding Balance of such Receivable will have to be adjusted by the Borrower or the Servicer as a result of a Dilution Factor with respect to such Receivable.

"Dilution Horizon Factor" shall mean, as of any date of determination and relating to the six Settlement Periods preceding such date, a fraction, the numerator of which is the dollar weighted average Dilution Horizon (based upon the aggregate amount of the Dilution Adjustments of the selected Receivables) for such six Settlement Periods (which shall be calculated by the Servicer, in accordance with its past procedures for such calculations, selecting a random sample of approximately 1000 Dilution Adjustment memos created during such period and determining the dollar weighted average Dilution Horizon therefrom) and the denominator of which is 30.

"Dilution Period" shall mean, as of any Settlement Date and continuing until (but not including) the next Settlement Date, the quotient of (i) the product of (A) the aggregate Outstanding Balance of Receivables that were originated by the Originators during the Settlement Period preceding such earlier Settlement Date and (B) the Dilution Horizon Factor divided by (ii) the aggregate Outstanding Balance of Receivables as of the last day of the Settlement Period preceding such earlier Settlement Date.

"Dilution Ratio" shall mean, as of the last day of any Settlement Period, the ratio (expressed as a percentage) of:

(a) the aggregate amount of Dilution Adjustments for all Transferred Receivables during the Settlement Period then ended

to

(b) the aggregate Billed Amount of all Transferred Receivables originated during the Settlement Period then ended.

"Dilution Reserve Ratio" shall mean, as of any Settlement Date and continuing until (but not including) the next Settlement Date, the ratio (expressed as a percentage) calculated as follows:

$$DRR = [(c * d) + [(e-d) * (e/d)]] * f$$

Where:

DRR = Dilution Reserve Ratio;

c = 2.00;

d = the twelve-month rolling average of the Dilution Ratios calculated as of the last day of each of the twelve consecutive Settlement Periods immediately preceding such earlier Settlement Date;

e = the highest Dilution Ratio calculated during the twelve consecutive Settlement Periods immediately preceding such earlier Settlement Date; and

f = the Dilution Period as of the last day of the Settlement Period immediately preceding such earlier Settlement Date.

"Discounted Percentage" shall mean (a) from the Effective Date until the date which is 90 days after the Effective Date, 25% and (b) thereafter, the percentage obtained from the following formula as determined by Ingram Micro for each Originator as of each Settlement Date:

$$100\% - (A + B + C + D)$$

Where:

A = Adjusted Loss Reserve Percentage, which as of such Settlement Date will equal the ratio obtained by dividing (a) Charged-Off Receivables (net of recoveries in respect of Charged-Off Receivables) with respect to such Originator during the six-fiscal-month period immediately preceding such Settlement Date by (b) two times the aggregate amount of Collections during the three-fiscal-month period immediately preceding such Settlement Date with respect to Receivables originated by such Originator.

B = Adjusted Interest Reserve Percentage, which as of such Settlement Date will equal the amount obtained by dividing (a) the product of (i) 1.5, (ii) Days Sales Outstanding and (iii) the LIBOR Rate for a LIBOR Period of one month plus 2% by (b) 360.

C = The Servicing Fee Rate divided by 360.

D = Processing Expense Reserve Percentage, which will equal 0.50% and reflects the cost of the Ingram Micro's overhead, including costs of processing the purchase of Receivables and other normal operating costs and a reasonable profit margin.

None of the elements of the above-referenced formula, in respect of any purchase of Receivables, will be adjusted following the related Settlement Date. With respect to each calculation set forth above with respect to a

Settlement Date, such calculation as calculated on such Settlement Date shall remain in effect from and including such Settlement Date to but excluding the following Settlement Date.

"Documents" shall have the meaning assigned to it in Section 7.02(b)(iii) of the Sale Agreement.

"Dollars" or "\$" shall mean lawful currency of the United States of America.

"Dynamic Advance Rate" shall mean, as of any date of determination, the lesser of (i) 80% and (ii) a percentage equal to 100% minus the sum of (a) the Dilution Reserve Ratio as of such date, (b) the Interest Reserve Ratio as of such date, (c) the Loss Reserve Ratio as of such date, and (d) the Servicing Reserve Ratio as of such date.

"Early Termination" shall have the meaning assigned to it in Section 7.01 of the Sale Agreement.

"Effective Date" shall mean July 29, 2004, the date on which the Funding Agreement shall be effective in accordance with Section 3.01 thereof.

"Eligible Letter of Credit" shall mean any irrevocable documentary credit (a direct-pay letter of credit) or any irrevocable standby letter of credit supporting a Receivable, or two or more Receivables sold to the Borrower by the same Originator, that is (a) either (i) issued in favor of such Originator or the Borrower and the right to draw under which is, or the proceeds of which are, legally transferable and assignable to the Lender or (ii) issued in favor of the Lender, (b) governed by the UCC of a state of the United States of America, governed by the UCP 500 or governed as to certain terms by the UCP 500 and as to any remaining terms by the UCC of a state of the United States of America, (c) issued by a commercial bank that (i) has a combined capital and surplus of at least \$50,000,000 (ii) has (or the holding company parent of which has) either a long-term or a short-term senior unsecured debt rating in the highest rating category by each of Moody's and S&P and (iii) is either organized under the laws of (A) the United States or a State thereof or is a U.S. branch or agency of such commercial bank, or (B) a country having sovereign rating of "AA" or better, (d) permits the beneficiary to draw, upon notice to the issuing bank, an amount equal to the entire Outstanding Balance of any Receivable supported thereby in U.S. Dollars payable by the issuing bank to the Lender, as assignee or as original beneficiary, in the case of a documentary credit (a direct-pay letter of credit), on or before the due date of such Receivable and, in the case of a standby letter of credit, on or before the fifth day following the due date of such Receivable and (e) with respect to which the prior written consent of the Lender has been obtained if the Receivables supported by such Letter of Credit are to be considered "Eligible Receivables".

"Election Notice" shall have the meaning assigned to it in Section 2.01(d) of the Sale Agreement.

"Eligible Receivable" shall mean, as of any date of determination, a Transferred Receivable:

E. that is not a Defaulted Receivable;

F. the goods related to it shall have been shipped (and such goods are not subject to a bill and hold arrangement) or the services related to it shall have been performed and such Receivable shall have been billed to the related Obligor;

G. that is denominated and payable only in U.S. Dollars in the United States and Collections on which ultimately are deposited to a Lockbox, a Lockbox Account or the Collection Account in the United States;

H. that arose in the ordinary course of business from the sale of goods, products or services by the Originator thereof and in accordance with the Credit and Collection Policy;

I. that does not contravene any applicable law, rule or regulation and the Originator thereof is not in violation of any law, rule or regulation in connection with it, in each case which in any way renders such Receivable unenforceable or would otherwise impair in any material respect the collectibility of such Receivable;

J. that is an account receivable representing all or part of the sales price of merchandise, insurance or services within the meaning of Section 3(c)(5) of the Investment Company Act;

K. that is not a Receivable for which the Originator thereof has established an offsetting specific reserve; provided that a Receivable subject only in part to the foregoing shall be an Eligible Receivable to the extent not so subject;

L. that is not a Receivable with original payment terms in excess of 90 days from its original Billing Date, or in respect of which the Originator thereof has (i) entered into an arrangement with the Obligor pursuant to which payment of any portion of the purchase price has been extended or deferred, whether by means of a promissory note or by any other means, to a date more than 90 days from its original Billing Date or (ii) altered the basis of the aging from the initial due date for payment such that the final due date extends to a date more than 90 days from its original Billing Date or (iii) otherwise made any modification except in the ordinary course of business and consistent with the Credit and Collection Policy;

M. with respect to which all required consents, approvals or authorizations necessary for the creation and enforceability of such Receivable and the effective assignment and sale thereof by the Originator thereof to the Borrower shall have been obtained;

N. the Originator thereof is not in default in any material respect under the terms of the Contract, if any, from which such Receivable arose;

O. with respect to which all right, title and interest in it has been validly sold by the Originator thereof to the Borrower pursuant to the Sale Agreement;

P. with respect to which the Borrower will have legal and beneficial ownership thereof free and clear of all Liens other than Liens created pursuant to the Related Documents in favor of the Lender;

Q. that is not subject to any dispute in whole or in part or to any offset, counterclaim or defense;

R. that did not arise as a result of a charge-back; provided that a Receivable which would otherwise not qualify as an Eligible Receivable because of a failure to comply with this clause (n) shall constitute an Eligible Receivable to the extent of the Outstanding Balance of such Receivable minus the amount of such Receivable which fails to comply with such clause;

S. that is at all times the legal, valid and binding obligation of the Obligor thereon, enforceable against such Obligor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or law);

T. as of the date on which such Receivable was sold to the Borrower, neither the Borrower nor the Originator thereof has (i) taken any action in contravention of the terms of any Related Document or (ii) failed to take any action required to be taken by the terms of any Related Document that, in either case, would materially impair the rights therein of the Lender with respect to such Receivable;

U. as of the date on which such Receivable was sold to the Borrower, each of the representations and warranties with respect to such Receivable made in the Sale Agreement by the Originator thereof is true and correct in all material respects; and

V. at the time such Receivable was sold by the Originator thereof to the Borrower under the Sale Agreement, no event described of the type

described in Sections 9.01(d) in the Funding Agreement had occurred with respect to such Originator;

W. that is not a liability of an Excluded Obligor or an Obligor with respect to which more than 50% of the aggregate Outstanding Balance of all Receivables owing by such Obligor are Defaulted Receivables;

X. that is not a liability of an Obligor organized under the laws of any jurisdiction outside of the United States of America (including the District of Columbia but otherwise excluding its territories and possessions) unless the Receivables of such Obligor are supported by an Eligible Letter of Credit;

Y. with respect to which no proceedings or investigations are pending or threatened before any Governmental Authority (i) asserting the invalidity of such Receivable or the Contract therefor, (ii) asserting the bankruptcy or insolvency of the Obligor thereunder; provided, however, that if a Receivable is not eligible as a result of this clause (ii) but would otherwise constitute an Eligible Receivable hereunder, such Receivable shall be an Eligible Receivable so long as it arose post-petition and the Obligor thereon is a "Qualifying DIP Obligor", (iii) seeking payment of such Receivable or payment and performance of such Contract or (iv) seeking any determination or ruling that could reasonably be expected to materially and adversely affect the validity or enforceability of such Receivable or such Contract; and

Z. that is an account, instrument, chattel paper or general intangible within the meaning of the UCC (or any other applicable legislation) of the state the laws of which govern perfection.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974 and any regulations promulgated thereunder.

"ERISA Affiliate" shall mean with respect to any Person, any trade or business (whether or not incorporated) that is a member of a group of which such Person is a member and which is treated as a single employer under Section 414 of the IRC.

"Event of Servicer Termination" shall have the meaning assigned to it in Section 9.02 of the Funding Agreement.

"Excess Concentration Amount" shall mean, with respect to any Obligor of a Receivable and as of any date of determination after giving effect to all Eligible Receivables to be transferred on such date, the amount by which the Outstanding Balance of Eligible Receivables owing by such Obligor exceeds (i) the Concentration Percentage for such Obligor multiplied by (ii) the Outstanding Balance of all Eligible Receivables on such date.

"Excluded Obligor" shall mean any Obligor (a) that is an Affiliate of any Originator or (b) that is a Governmental Authority.

"Excluded Receivable" shall mean, as of any date of determination, any indebtedness and payment obligations of any Person to an Originator arising from a sale of merchandise or services by such Originator that has the attributes set forth in any of the following paragraphs:

- (a) it is owing by an Obligor that is an Affiliate of such Originator;
- (b) it is owing by an Obligor that is not "located" (within the meaning of Section 9-307 of the UCC as in effect in the State of New York) in the United States and it is not supported by an Eligible Letter of Credit;
- (c) it was originated by DCM; or
- (d) it is owing by a Governmental Authority; or
- (e) it is a Receivable originated through the Select Source Program.

"Excluded Taxes" shall have the meaning assigned to it in Section 2.08(f) of the Funding Agreement.

"Existing Securitization" shall mean that certain Ingram Funding Master Trust Series 2000-1 Supplement dated as of March 8, 2000, as amended, to the Amended and Restated Pooling Agreement among Ingram Funding Inc., Ingram Micro Inc., GE Capital, JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank), Redwood Receivables Corporation and the several financial institutions party thereto from time to time, and each other document relating to the Ingram Funding Master Trust.

"Federal Reserve Board" shall mean the Board of Governors of the Federal Reserve System.

"Fees" shall mean any and all fees payable to the Lender pursuant to the Funding Agreement or any other Related Document.

"Fee Letter" shall mean that certain letter agreement dated July 29, 2004 between the Parent and the Lender.

"Final Advance Date" shall mean March 31, 2008.

"Funding Agreement" shall mean that certain Receivables Funding Agreement dated as of July 29, 2004, among the Borrower, the Servicer and the

Lender as amended, supplemented, restated or otherwise modified from time to time.

"Funding Availability" shall mean, as of any date of determination, the amount, if any, by which the Borrowing Base exceeds the Outstanding Principal Amount, in each case as of the end of the immediately preceding day.

"Funding Excess" shall mean, as of any date of determination, the amount by which the Outstanding Principal Amount exceeds the Borrowing Base, in each case as disclosed in the then most recently submitted Borrowing Base Certificate or Borrowing Request or as otherwise determined by the Lender in its good faith judgment based on Borrower Collateral information available to it, including any information obtained from any audit or from any other reports with respect to the Borrower Collateral, which determination shall be final, binding and conclusive on all parties to the Funding Agreement (absent manifest error).

"GAAP" shall mean generally accepted accounting principles in the United States of America as in effect from time to time, consistently applied as such term is further defined in Section 2(a) of this Annex X.

"GE Capital" shall mean General Electric Capital Corporation, a Delaware corporation, and its successors and assigns.

"General Concentration Percentage" shall mean at any time of determination with respect to any Obligor, 10.0%.

"General Trial Balance" shall mean, with respect to any Originator and as of any date of determination, such Originator's accounts receivable trial balance (whether in the form of a computer printout, magnetic tape or diskette) as of such date, listing Obligors and the Receivables owing by such Obligors as of such date together with the aged Outstanding Balances of such Receivables, in form and substance satisfactory to the Borrower and the Lender.

"Governmental Authority" shall mean any nation or government, any state, province or other political subdivision thereof, and any agency, department or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Guaranteed Indebtedness" shall mean, as to any Person, any obligation of such Person guaranteeing any indebtedness, lease, dividend, or other obligation ("primary obligation") of any other Person (the "primary obligor") in any manner, including any obligation or arrangement of such Person to (a) purchase or repurchase any such primary obligation, (b) advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency or any balance sheet condition of the primary obligor, (c) purchase property, securities or services primarily for the purpose of

assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (d) indemnify the owner of such primary obligation against loss in respect thereof. The amount of any Guaranteed Indebtedness at any time shall be deemed to be the amount equal to the lesser at such time of (x) the stated or determinable amount of the primary obligation in respect of which such Guaranteed Indebtedness is incurred and (y) the maximum amount for which such Person may be liable pursuant to the terms of the instrument embodying such Guaranteed Indebtedness; or, if not stated or determinable, the maximum reasonably anticipated liability (assuming full performance) in respect thereof.

"Incipient Termination Event" shall mean any event that, with the passage of time or the giving of notice or both, would, unless cured or waived, become a Termination Event.

"Indemnification Event" shall have the meaning assigned to it in Section 12.02 of the Funding Agreement.

"Indemnified Amounts" shall mean, with respect to any Person, any and all claims, damages, losses, liabilities and reasonable expenses (including, but not limited to, reasonable attorneys' fees and reasonable disbursements.

"Indemnified Liabilities" shall have the meaning assigned to it in Section 8.02 of the Sale Agreement.

"Indemnified Person" shall have the meaning assigned to it in Section 12.02 of the Funding Agreement.

"Index Rate" shall mean, for any day, a floating rate equal to the sum of (a) (i) the latest month-end published rate for 30-day dealer commercial paper (high grade unsecured notes sold through dealers by major corporations in multiples of \$1,000), which normally appears in the "Money Rates" column of The Wall Street Journal or, in the event that The Wall Street Journal ceases publication of such rate, in such other publication of general circulation as the Lender in its reasonable discretion may, from time to time, designate in writing, or (ii) if such rate is not determinable pursuant to clause (i) hereof, such rate as the Lender in its reasonable discretion may, from time to time, designate in writing, plus (b) the Applicable Margin in effect as of such day. Each change in any interest rate provided for in the Funding Agreement based upon the Index Rate shall take effect at the time of such change in the Index Rate.

"Index Rate Advance" shall mean an Advance or portion thereof bearing interest by reference to the Index Rate.

"Ineligibility Event" shall have the meaning assigned to it in Section 2.06(a) of the Sale Agreement.

"Ineligible Receivable" shall have the meaning assigned to it in Section 2.06(a) of the Sale Agreement.

"Ingram Micro" shall mean Ingram Micro Inc., a Delaware corporation.

"Insolvency Event" ,with respect to any Originator, shall mean the occurrence of any one or more of the Purchase Termination Events specified in Section 7.01(d) of the Sale Agreement.

"Interest Payment Date" shall mean, with respect to any Advance, (a) as to any Index Rate Advance, the first Business Day of each month to occur while such Index Rate Advance is outstanding, (b) as to any LIBOR Rate Advance, the last day of the applicable LIBOR Period and (c) any Business Day on which all or any portion of such Advance is repaid; provided, further, that, in addition to the foregoing, each of (x) the date upon which all of the Commitments have been terminated and the aggregate Outstanding Principal Amount has been paid in full and (y) the Commitment Termination Date shall be deemed to be an "Interest Payment Date" with respect to any interest which is then accrued under the Funding Agreement.

"Interest Reserve Ratio" shall mean, as of any Settlement Date and continuing until (but not including) the next Settlement Date, the ratio (expressed as a percentage) of (a) the product of (i) 2.0 times Days Sales Outstanding as of such earlier Settlement Date, and (ii) 1.30 times the Index Rate in effect as of such earlier Settlement Date, to (b) 365.

"Investment Company Act" shall mean the provisions of the Investment Company Act of 1940, 15 U.S.C. Sections 80a et seq., and any regulations promulgated thereunder.

"Investments" shall mean, with respect to any Borrower Account Collateral, the certificates, instruments, investment property or other investments in which amounts constituting such collateral are invested from time to time.

"IRC" shall mean the Internal Revenue Code of 1986 and any regulations promulgated thereunder.

"IRS" shall mean the Internal Revenue Service.

"Lender" shall mean General Electric Capital Corporation, and its successors and permitted assigns.

"Lender Indemnified Person" shall have the meaning assigned to it in Section 12.01(a) of the Funding Agreement.

"LIBOR Business Day" shall mean a Business Day on which banks in the city of London are generally open for interbank or foreign exchange transactions.

"LIBOR Period" shall mean, with respect to any LIBOR Rate Advance, each period commencing on a LIBOR Business Day selected by the Borrower pursuant to the Funding Agreement and ending one, two or three months thereafter, as selected by Borrower's irrevocable notice to the Lender in a Borrowing Request as set forth in Section 2.03(a) of the Funding Agreement or a Notice of Continuation/Conversion as set forth in Section 2.06(c) of the Funding Agreement; provided that the foregoing provision relating to LIBOR Periods is subject to the following:

(a) if any LIBOR Period would otherwise end on a day that is not a LIBOR Business Day, such LIBOR Period shall be extended to the next succeeding LIBOR Business Day unless the result of such extension would be to carry such LIBOR Period into another calendar month in which event such LIBOR Period shall end on the immediately preceding LIBOR Business Day;

(b) any LIBOR Period that would otherwise extend beyond the Commitment Termination Date shall end two (2) LIBOR Business Days prior to such date;

(c) any LIBOR Period pertaining to a LIBOR Rate Advance that begins on the last LIBOR Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month during which such LIBOR Period would otherwise end) shall end on the last LIBOR Business Day of the calendar month during which such LIBOR Period would otherwise end;

(d) Borrower shall select LIBOR Periods so as not to require a payment or prepayment of any LIBOR Rate Advance during a LIBOR Period for such Revolving Advance; and

(e) Borrower shall select LIBOR Periods so that there shall be no more than ten (10) Borrowings consisting of LIBOR Rate Advances in existence at any one time.

"LIBOR Rate" shall mean for each LIBOR Period, a rate of interest determined by the Lender equal to the sum of the Applicable Margin plus:

(a) the offered rate for deposits in United States Dollars for the applicable LIBOR Period which appears on Telerate Page 3750 as of 11:00 a.m., London time, on the second full LIBOR Business Day next preceding the first day of each LIBOR Period (unless the first day of such

Settlement Period is not a Business Day, in which event the next succeeding Business Day will be used); divided by

(b) a number equal to 1.0 minus the aggregate (but without duplication) of the rates (expressed as a decimal fraction) of reserve requirements in effect on the day which is two (2) LIBOR Business Days prior to the beginning of such LIBOR Period (including basic, supplemental, marginal and emergency reserves under any regulations of the Board of Governors of the Federal Reserve system or other governmental authority having jurisdiction with respect thereto, as now and from time to time in effect) for Eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D of such Board) which are required to be maintained by a member bank of the Federal Reserve System;

provided, that if the introduction of or any change in any law or regulation (or any change in the interpretation thereof) shall make it unlawful, or any central bank or other Governmental Authority shall assert that it is unlawful, for a Lender to agree to make or to make or to continue to fund or maintain any Advances at the LIBOR Rate, then, unless that Lender is able to make or to continue to fund or to maintain such Advances at another branch or office of such Lender without, in such Lender's good faith opinion, adversely affecting it or its Outstanding Principal Amount or the income obtained therefrom, the LIBOR Rate shall in all such cases be equal to the Index Rate.

If such interest rates shall cease to be available from Telerate News Service, the LIBOR Rate shall be determined from such financial reporting service or other information as shall be mutually acceptable to the Lender and the Borrower.

"LIBOR Rate Advance" shall mean an Advance or portion thereof bearing interest by reference to the LIBOR Rate.

"Lien" shall mean any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, security interest, easement or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any lease or title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement perfecting a security interest under the UCC or comparable law of any jurisdiction).

"Litigation" shall mean, with respect to any Person, any action, claim, lawsuit, demand, investigation or proceeding pending or threatened against such Person before any court, board, commission, agency or instrumentality of

any federal, state, local or foreign government or of any agency or subdivision thereof or before any arbitrator or panel of arbitrators.

"Lockbox" shall have the meaning assigned to it in Section 6.01(a)(ii) of the Funding Agreement.

"Lockbox Account" shall mean any deposit account established by or assigned to the Borrower for the deposit of Collections pursuant to and in accordance with Section 6.01(a) of the Funding Agreement.

"Lockbox Account Agreement" shall mean any agreement among an Originator, the Borrower, GE Capital, as Lender, and a Lockbox Account Bank with respect to a Lockbox and Lockbox Account that provides, among other things, that (a) all items of payment deposited in such Lockbox and Lockbox Account are held by such Lockbox Account Bank as custodian for GE Capital, as Lender, (b) such Lockbox Account Bank has no rights of setoff or recoupment or any other claim against such Lockbox Account, as the case may be, other than for payment of its service fees and other charges directly related to the administration of such Lockbox Account and for returned checks or other items of payment and (c) such Lockbox Account Bank agrees to forward all Collections received in such Lockbox Account to the Collection Account within one Business Day of receipt, and is otherwise in form and substance acceptable to the Lender.

"Lockbox Account Bank" shall mean any bank or other financial institution (and the successors of such bank or financial institution) at which one or more Lockbox Accounts are maintained.

"Loss Reserve Ratio" shall mean, as of any Settlement Date and continuing until (but not including) the next Settlement Date, an amount (expressed as a percentage) that is calculated as follows:

$$LRR = [(a * b) / c] * d * e$$

Where:

LRR = Loss Reserve Ratio;

a = the aggregate Outstanding Balance of Receivables originated by the Originators during the three Settlement Periods immediately preceding such earlier Settlement Date;

b = the highest three-month rolling average of the Aged Receivables Ratio during the twelve consecutive Settlement Periods ending prior to such earlier Settlement Date;

c = the aggregate Outstanding Balance of Receivables as of the last day of the Settlement Period immediately preceding such earlier Settlement Date;

d = 2.00; and

e = the Payment Terms Factor as of such earlier Settlement Date.

"Margin Stock" shall have the meaning given to such term in Regulation U of the Board.

"Material Adverse Effect" shall mean a material impairment of (a) the legality, validity or enforceability of any of the Related Documents against any Originator, the Servicer, or the Borrower or (b) the collectibility of the Receivables taken as a whole or of any significant portion of the Receivables.

"Maturity Date" shall mean, with respect to any Receivable, the due date for payment therefor specified in the Contract therefor, or, if no date is so specified, 30 days from the Billing Date.

"Monthly Report" shall have the meaning assigned to it in paragraph (a) of Annex 5.02(a) to the Funding Agreement.

"Moody's" shall mean Moody's Investors Service, Inc. or any successor thereto.

"Net Receivables Balance" means, as of any date of determination, the amount equal to:

(a) the Outstanding Balance of Eligible Receivables,

minus

(b) the Excess Concentration Amount;

in each case as disclosed in the most recently submitted Borrowing Base Certificate or Borrowing Request or as otherwise determined by the Lender based on Borrower Collateral information available to it, including information relating to the timely processing of credit memos related to the Receivables, any information obtained from any audit or from any other reports with respect to the Borrower Collateral, which determination shall be final, binding and conclusive on all parties to the Funding Agreement (absent manifest error).

"Non-Excluded Taxes" shall have the meaning assigned to it in Section 2.08(f) of the Funding Agreement.

"Notice of Continuation/Conversion" shall have the meaning assigned to such term in Section 2.06(c) of the Funding Agreement.

"Obligor" shall mean, with respect to any Receivable, the Person primarily obligated to make payments in respect thereof.

"Officer's Certificate" shall mean, with respect to any Person, a certificate signed by an Authorized Officer of such Person.

"Originator" shall mean each of the Subsidiaries of Parent which is a party to the Sale Agreement and any other Person approved by the Lender in writing.

"Originator Addition Date" shall have the meaning assigned to it in Section 3.05 of the Sale Agreement.

"Originator Adjustment Payment" shall have the meaning assigned to it in Section 2.06(a) of the Sale Agreement.

"Originator Indemnification Event" shall have the meaning assigned to it in Section 2.06(b) of the Sale Agreement.

"Originator Indemnification Payment" shall have the meaning assigned to it in Section 2.06(b) of the Sale Agreement.

"Originator Material Adverse Effect" shall mean, with respect to any Originator, (i) any material impairment of such Originator's ability to perform any of its material obligations or to comply with or conduct its business in accordance with any of its material representations, warranties, covenants or agreements under any Related Document or (ii) any material impairment of the interests, rights or remedies of the Lender against or with respect to such Originator, in the Receivables or under any Related Document.

"Other Taxes" shall have the meaning assigned to it in Section 2.08(f) of the Funding Agreement.

"Outstanding Balance" shall mean, with respect to any Receivable, as of any date of determination, the amount (which amount shall not be less than zero) equal to (a) the Billed Amount thereof, minus (b) all Collections received from the Obligor thereunder, minus (c) all discounts to, or any other modifications by, the Originator, the Borrower or the Servicer that reduce such Billed Amount; provided, that if the Lender or the Servicer makes a good faith determination that all payments by such Obligor with respect to such Billed Amount have been made, the Outstanding Balance shall be zero.

"Outstanding Principal Amount" shall mean, as of any date of determination, the amount equal to (a) the aggregate Advances made by the

Lender under the Funding Agreement on or before such date, minus (b) the aggregate amounts disbursed to the Lender in reduction of the principal of such Advances pursuant to the Funding Agreement on or before such date.

"Parent" shall mean Ingram Micro Inc., a Delaware corporation.

"Parent Agreement" shall mean an agreement entered into between the Parent and the Lender pursuant to Section 2.03 of the Sale Agreement, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Parent Group" shall mean the Parent and each of its Affiliates other than the Borrower.

"Participant" shall have the meaning assigned to it in Section 14.02(b) of the Funding Agreement.

"Payment Terms Factor" shall mean (a) for the period from the Effective Date until the third Settlement Date to occur thereafter, 0.89 and (b) for each three-month period to occur after such initial period, a fraction, the numerator of which is the sum of (i) the weighted average payment terms (based upon the aggregate Outstanding Balance of the Receivables and expressed as a number of days) for the Receivables originated during such period and (ii) 60, and the denominator of which is 90; provided, however, that if the Payment Terms Factor for any period is less than the Payment Terms Factor for the immediately preceding period, then the actual Payment Terms Factor for such current period shall be recalculated to equal a fraction, the numerator of which is equal to the average of the numerators used to calculate the Payment Terms Factor for such current period and the three immediately preceding periods, and the denominator of which is 90.

"PBGC" shall mean the Pension Benefit Guaranty Corporation.

"Pension Plan" shall mean a Plan described in Section 3(2) of ERISA.

"Permitted Encumbrances" shall mean the following encumbrances: (a) Liens for taxes or assessments or other governmental charges or levies not yet due and payable; (b) pledges or deposits securing obligations under workmen's compensation, unemployment insurance, social security or public liability laws or similar legislation; (c) pledges or deposits securing bids, tenders, government contracts, contracts (other than contracts for the payment of money) or leases to which any Originator, the Borrower or the Servicer is a party as lessee made in the ordinary course of business; (d) deposits securing statutory obligations of any Originator, the Borrower or the Servicer; (e) inchoate and unperfected workers', mechanics', suppliers' or similar Liens arising in the ordinary course of business; (f) carriers', warehousemen's or other similar

possessory Liens arising in the ordinary course of business; (g) deposits securing, or in lieu of, surety, appeal or customs bonds in proceedings to which any Originator, the Borrower or the Servicer is a party; (h) any attachment or judgment Lien not constituting a Termination Event under Section 9.01(f) of the Funding Agreement; (i) Liens relating to the lease of office equipment in the ordinary course of business; (j) Liens existing on the Effective Date and listed on Schedule 4.03(b) of the Sale Agreement or Schedule 5.03(b) of the Funding Agreement; and (k) presently existing or hereinafter created Liens in favor of the Buyer, the Borrower or the Lender.

"Permitted Lien" shall mean at any time, for any Person:

(i) Liens which are in all respects junior under the applicable UCC to the Liens created under the Related Documents and which secure the payment of taxes, assessments or other governmental charges or levies (a) not yet due or (b) that are being contested in good faith by appropriate legal or administrative proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of such Person; and

(ii) Liens for federal taxes not in excess of \$100,000 in the aggregate at any one time outstanding which are being contested in good faith by appropriate legal or administrative proceedings and as to which action is being taken with due diligence to resolve or remove.

"Person" shall mean any individual, sole proprietorship, partnership, joint venture, unincorporated organization, trust, association, corporation (including a business trust), limited liability company, institution, public benefit corporation, joint stock company, Governmental Authority or any other entity of whatever nature.

"Plan" shall mean, at any time during the preceding five years, an "employee benefit plan," as defined in Section 3(3) of ERISA, that any Originator or ERISA Affiliate maintains, contributes to or has an obligation to contribute to on behalf of participants who are or were employed by any Originator or ERISA Affiliate.

"Potential Purchase Termination Event" shall mean any condition or act that, with the giving of notice or the lapse of time or both, would become a Purchase Termination Event.

"Power of Attorney" shall have the meaning assigned to it in Section 10.03 of the Funding Agreement.

"Purchase Termination Event" shall have the meaning assigned to it in Section 7.01 of the Sale Agreement.

"Qualifying DIP Obligor" shall mean, as of any date of determination, an Obligor (i) that is a "debtor in possession", for which no trustee or examiner has been appointed and no application is pending for the appointment of a trustee or examiner, in a case under Chapter 11 of the Bankruptcy Code in which no motion has been made for an order liquidating all or any substantial portion of such debtor's assets and no motion has been made for the conversion of such case to a case under Chapter 7 of the Bankruptcy Code and no restriction prescribed by the bankruptcy court is in effect, which would restrict such Obligor's payments under the Receivables, (ii) in the case of any proposed Qualifying DIP Obligor whose Receivables would account for 5% or more of the aggregate Outstanding Balance of all Receivables, the Lender has been given notice at least five Business Days prior to any transfer of Receivables owing by such Obligor to the Borrower of the proposed sale of such Receivables to the Borrower on the basis of being a Qualifying DIP Obligor, (iii) that has designated the applicable Originator as a "critical vendor" and obtained the requisite court approval to pay the post-petition claims of such Originator on an administrative priority basis, and (iv) as to which the Lender has not, in the exercise of its reasonable discretion, given notice to the Borrower and the Servicer that such Obligor is an Excluded Obligor.

"Ratios" shall mean, collectively, the Default Ratio, Interest Reserve Ratio, the Loss Reserve Ratio, the Servicing Reserve Ratio, the Receivables Collection Turnover and the Dilution Reserve Ratio.

"Receivable" shall mean, with respect to any Obligor, the indebtedness and payment obligations of such Obligor to any Originator (including, without limitation, obligations evidenced by an account, note, instrument, contract, security agreement, chattel paper, general intangible or other evidence of indebtedness or security) arising from a sale of merchandise or services by such Originator, including, without limitation, any right to payment for goods sold or for services rendered, and including the right to payment of any interest, sales taxes, finance charges, returned check or late charges and other obligations of such Obligor with respect thereto, but not including any Excluded Receivable.

"Receivable Assets" shall mean:

- (i) all Receivables transferred to the Buyer pursuant to the Sale Agreement from time to time;
- (ii) the Related Property with respect to such Receivables;
- (iii) all Collections with respect to such Receivables;
- (iv) all rights (including rescission, replevin or reclamation) relating to such Receivables or arising therefrom;

(v) subject to the provisions of the UCC as in effect in the State of New York, all proceeds of or payments in respect of any and all of the foregoing clauses (i) through (iv) (including Collections).

"Related Property" shall mean, with respect to each Receivable:

(a) all of the right, title and interest of the Originator thereof and the Buyer in the goods (including returned goods), if any, relating to the sale which gave rise to such Receivable;

(b) all other property interests or Liens and property subject thereto from time to time purporting to secure payment of such Receivable, whether pursuant to the Contract related to such Receivable or otherwise, together with all financing statements describing any collateral securing such Receivable;

(c) all guarantees, insurance, letters of credit (including Eligible Letters of Credit) and other agreements of whatever character from time to time supporting or securing payment of such Receivable whether pursuant to the Contract related to such Receivable or otherwise; and

(d) all other instruments and all rights under the Contracts and other documents related to the Receivables and all rights (but not obligations) relating to such Receivables;

including in the case of clauses (b) and (c), without limitation, pursuant to any obligations evidenced by an account, note, instrument, contract, security agreement, chattel paper, general intangible, or other evidence of indebtedness or security.

"Receivables Assignment" shall have the meaning assigned to such term in Section 2.01(a) of the Sale Agreement.

"Receivables Collection Turnover" shall mean, as of any date of determination, the amount (expressed in days) equal to:

(a) a fraction, (i) the numerator of which is equal to the average of the aggregate Outstanding Balance of Receivables as of the first day of the 6 Settlement Periods immediately preceding such date and (ii) the denominator of which is equal to aggregate Collections received during such 6 Settlement Periods,

multiplied by

(b) the number of days contained in such 6 Settlement Periods.

"Records" shall mean all Contracts and other documents, books, records and other information (including customer lists, credit files, computer

programs, tapes, disks, data processing software and related property and rights) prepared and maintained by any Originator, the Servicer, any Sub-Servicer or the Borrower with respect to the Receivables and the Obligors thereunder and the Borrower Collateral.

"Regulation U" shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Regulation X" shall mean Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Regulatory Change" shall mean any change after the Effective Date in any federal, state or foreign law or regulation (including Regulation D of the Federal Reserve Board) or the adoption or making after such date of any interpretation, directive or request under any federal, state or foreign law or regulation (whether or not having the force of law) by any Governmental Authority charged with the interpretation or administration thereof that, in each case, is applicable to any Affected Party.

"Related Documents" shall mean each Lockbox Account Agreement, the Sale Agreement, the Funding Agreement, each Receivables Assignment, the Subordinated Notes, the Parent Agreement and all other agreements, instruments, documents and certificates identified in the Schedule of Documents and including all other pledges, powers of attorney, consents, assignments, contracts, notices, and all other written matter whether heretofore, now or hereafter executed by or on behalf of any Person, or any employee of any Person, and delivered in connection with the Sale Agreement, the Funding Agreement or the transactions contemplated thereby. Any reference in the Sale Agreement, the Funding Agreement or any other Related Document to a Related Document shall include all Appendices thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to such Related Document as the same may be in effect at any and all times such reference becomes operative.

"Repayment Notice" shall have the meaning assigned to it in Section 2.03(c) of the Funding Agreement.

"Reportable Event" shall mean any reportable event as defined in Section 4043(b) of ERISA or the regulations issued thereunder with respect to a Plan (other than a Plan maintained by an ERISA Affiliate which is considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Section 414 of the IRC).

"Requirement of Law" for any Person shall mean the certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation, or determination of an arbitrator or

a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer" shall mean, with respect to any Person, the Chairman of the Board, any Vice Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President or the Treasurer or Assistant Treasurer of such Person.

"Revolving Note" shall have the meaning assigned to such term in Section 2.01(b) of the Funding Agreement.

"Revolving Period" shall mean the period from and including the Effective Date through and including the day immediately preceding the Commitment Termination Date.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., or any successor thereto.

"Sale" shall mean with respect to a sale of receivables under the Sale Agreement, a sale of Receivables by an Originator to the Borrower in accordance with the terms of the Sale Agreement.

"Sale Agreement" shall mean that certain Receivables Sale Agreement dated as of July 29, 2004, among each Originator, the Parent and the Borrower, as the Buyer thereunder, as the same may be amended, restated, supplemented, or otherwise modified from time to time.

"Sale Price" shall mean, with respect to any Sale of Sold Receivables and other Receivable Assets, a price calculated by the Borrower equal to the product of (i) the Outstanding Balance of such Sold Receivables and (ii) the Discounted Percentage.

"Sale Termination Date" shall have the meaning assigned to it in Section 8.11(b) of the Sale Agreement.

"Schedule of Documents" shall mean the schedule, including all appendices, exhibits or schedules thereto, listing certain documents and information to be delivered in connection with the Sale Agreement, the Funding Agreement and the other Related Documents and the transactions contemplated thereunder, substantially in the form attached as Annex Y to the Funding Agreement and the Sale Agreement.

"Securities Act" shall mean the provisions of the Securities Act of 1933, 15 U.S.C. Sections 77a et seq., and any regulations promulgated thereunder.

"Securities Exchange Act" shall mean the provisions of the Securities Exchange Act of 1934, 15 U.S.C. Sections 78a et seq., and any regulations promulgated thereunder.

"Select Source Program" shall refer to the operations categorized as the Select Source Program from time to time on the internal records of Ingram Micro or any Subsidiary, which operations shall include the sale of products by Ingram Micro or any Subsidiary of Ingram Micro to certain participating resellers and the subsequent sale of such products by such resellers to end-users, whereby Ingram Micro or a Subsidiary of Ingram Micro ships to end-users the products so sold by resellers, invoices such end-users and collects the related accounts receivable, and pays over to resellers the profits on their respective sales to end-users.

"Servicer" shall mean Ingram Micro Inc., a Delaware corporation, in its capacity as the Servicer under the Funding Agreement, or any other Person designated as a Successor Servicer in accordance with the terms of the Funding Agreement.

"Servicer Material Adverse Effect" shall mean (i) any material impairment of the Servicer's ability to perform any of its material obligations or to comply with or conduct its business in accordance with any of its material representations, warranties, covenants or agreements under any Related Document, or (ii) any material impairment of the interests, rights or remedies of the Lender against or with respect to the Servicer, in the Receivables or under any Related Document.

"Servicer Termination Notice" shall mean any notice by the Lender to the Servicer that (a) an Event of Servicer Termination has occurred and (b) the Servicer's appointment under the Funding Agreement has been terminated.

"Servicing Fee" shall mean, for any day within a Settlement Period, the amount equal to (a) (i) the Servicing Fee Rate divided by (ii) 360, multiplied by (b) the aggregate Outstanding Balance of Receivables on such day.

"Servicing Fee Rate" shall mean 1.00%.

"Servicing Records" shall mean all Records prepared and maintained by the Servicer with respect to the Transferred Receivables and the Obligors thereunder.

"Servicing Reserve Ratio" shall mean, as of any Settlement Date and continuing until (but not including) the next Settlement Date, an amount (expressed as a percentage) equal to (i) the product of (A) the Servicing Fee Rate and (B) 2.0 times Days Sales Outstanding as of such earlier Settlement Date, divided by (ii) 360.

"Settlement Date" shall mean the tenth calendar day following the end of each Settlement Period or, if such day is not a Business Day, the next succeeding Business Day.

"Settlement Period" shall mean (a) solely for purposes of determining the Ratios, (i) with respect to all Settlement Periods other than the final Settlement Period, each calendar month, whether occurring before or after the Effective Date, and (ii) with respect to the final Settlement Period, the period ending on the Termination Date and beginning with the first day of the calendar month in which the Termination Date occurs, and (b) for all other purposes, (i) with respect to the initial Settlement Period, the period from and including the Effective Date through and including the last day of the calendar month in which the Effective Date occurs, (ii) with respect to the final Settlement Period, the period ending on the Termination Date and beginning with the first day of the calendar month in which the Termination Date occurs, and (iii) with respect to all other Settlement Periods, each calendar month.

"Significant Subsidiary" shall mean, with respect to any Subsidiary of Ingram Micro as of the date hereof, a Subsidiary of Ingram Micro that (as of any date of determination), (i) on an average over the three (3) most recently preceding fiscal years of Ingram Micro contributed at least five percent (5%) to consolidated net income of Ingram Micro or (ii) on an average at the end of the three (3) most recently preceding fiscal years of Ingram Micro owned assets constituting at least five percent (5%) of consolidated assets.

"Sold Receivable" shall have the meaning assigned to it in Section 2.01(b) of the Sale Agreement.

"Solvent" shall mean, with respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person; (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its Debts as they become absolute and matured; (c) such Person does not intend to, and does not believe that it will, incur Debts beyond such Person's ability to pay as such Debts mature, taking into account the timing of and amounts of cash to be reserved by it and the timing of and amounts of cash payable in respect of such Debts; and (d) such Person is not engaged in a business or transaction, and is not about to engage in a business or transaction, for which such Person's property would constitute an unreasonably small capital. For purposes of this definition, the amount of contingent liabilities (such as Litigation, guaranties and pension plan liabilities) at any time shall be computed as the amount that, in light of all the facts and circumstances existing at the time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Special Concentration Percentage" shall mean, with respect to any Obligor, that percentage, if any, designated by the Lender in its sole discretion (after a review of the creditworthiness of such Obligor and a complete review of the Receivables data) with respect to such Obligor in Annex Z to the Funding Agreement or otherwise in a written notification to the Borrower (provided that the Lender retains the discretion to change or eliminate any such Special Concentration Percentage at any time).

"Stock" shall mean all shares, options, warrants, member interests, general or limited partnership interests or other equivalents (regardless of how designated) of or in a corporation, limited liability company, partnership, business trust or equivalent entity whether voting or nonvoting, including common stock, preferred stock or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act).

"Stockholder" shall mean, with respect to any Person, each holder of Stock of such Person.

"Subordinated Loan" shall have the meaning given such term in Section 2.01(c) of Sale Agreement.

"Subordinated Note" shall have the meaning given such term in Section 2.01(c) of Sale Agreement.

"Subsequent Cut-Off Date" shall have the meaning given such term in Section 2.01(h) of Sale Agreement.

"Sub-Servicer" shall mean any Person with whom the Servicer enters into a Sub-Servicing Agreement.

"Sub-Servicing Agreement" shall mean any written contract entered into between the Servicer and any Sub-Servicer pursuant to and in accordance with Section 7.01 of the Funding Agreement relating to the servicing, administration or collection of the Transferred Receivables.

"Subsidiary" shall mean, with respect to any Person, any corporation or other entity (a) 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 at the time directly or indirectly owned by such Person or (b) that is directly or indirectly controlled by such Person within the meaning of control under Section 15 of the Securities Act.

"Successor Servicer" shall have the meaning assigned to it in Section 11.02 of the Funding Agreement.

"Successor Servicing Fees and Expenses" shall mean the fees and expenses payable to the Successor Servicer as agreed to by the Borrower and the Lender.

"Taxes" shall have the meaning assigned to it in Section 2.08(f) of the Funding Agreement.

"Termination Date" shall mean the date on which (a) the Outstanding Principal Amount has been permanently reduced to zero, (b) all other Borrower Obligations under the Funding Agreement and the other Related Documents have been indefeasibly repaid in full and completely discharged and (c) the Commitment has been irrevocably terminated in accordance with the provisions of Section 2.02(b) of the Funding Agreement.

"Termination Event" shall have the meaning assigned to it in Section 9.01 of the Funding Agreement.

"Title IV Plan" shall mean a Pension Plan (other than a Multiemployer Plan) that is covered by Title IV of ERISA and that any Originator or ERISA Affiliate maintains, contributes to or has an obligation to contribute to on behalf of participants who are or were employed by any of them.

"Transactions" shall have the meaning assigned to it in Section 4.01(b) of the Sale Agreement.

"Transfer" shall mean any Sale or contribution of Transferred Receivables and other Receivables Assets by any Originator to the Borrower pursuant to the terms of the Sale Agreement.

"Transfer Date" shall have the meaning assigned to it in Section 2.01(a) of the Sale Agreement.

"Transferred Receivable" shall mean any Sold Receivable or Contributed Receivable.

"UCC" shall mean, with respect to any jurisdiction, the Uniform Commercial Code as the same may, from time to time, be enacted and in effect in such jurisdiction.

"UCP 500" shall mean "The Uniform Customs and Practices for Documentary Credits", 1993 Revision, International Chamber of Commerce Publication No. 500.

"Unused Commitment Fee" shall mean a fee equal to the product of (i) the amount by which the Commitment exceeds the Outstanding Principal Amount (in each case, as of any date of determination) and (ii) 0.375% per annum.

## SECTION 2. Other Terms and Rules of Construction.

(a) Accounting Terms. Unless otherwise specifically provided therein, any accounting term used in any Related Document shall have the meaning customarily given such term in accordance with GAAP, and all financial computations thereunder shall be computed in accordance with GAAP consistently applied. That certain items or computations are explicitly modified by the phrase "in accordance with GAAP" shall in no way be construed to limit the foregoing.

(b) Other Terms. All other undefined terms contained in any of the Related Documents shall, unless the context indicates otherwise, have the meanings provided for by the UCC as in effect in the State of New York to the extent the same are used or defined therein.

(c) Rules of Construction. Unless otherwise specified, references in any Related Document or any of the Appendices thereto to a Section, subsection or clause refer to such Section, subsection or clause as contained in such Related Document. The words "herein," "hereof" and "hereunder" and other words of similar import used in any Related Document refer to such Related Document as a whole, including all annexes, exhibits and schedules, as the same may from time to time be amended, restated, modified or supplemented, and not to any particular section, subsection or clause contained in such Related Document or any such annex, exhibit or schedule. Any reference to or definition of any document, instrument or agreement shall, unless expressly noted otherwise, include the same as amended, restated, supplemented or otherwise modified from time to time. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and neuter genders. The words "including," "includes" and "include" shall be deemed to be followed by the words "without limitation"; the word "or" is not exclusive; references to Persons include their respective successors and assigns (to the extent and only to the extent permitted by the Related Documents) or, in the case of Governmental Authorities, Persons succeeding to the relevant functions of such Persons; and all references to statutes and related regulations shall include any amendments of the same and any successor statutes and regulations.

(d) Rules of Construction for Determination of Ratios. The Ratios as of the last day of the Settlement Period immediately preceding the Effective Date shall be established by the Lender on or prior to the Effective Date and the underlying calculations for periods immediately preceding the Effective Date to be used in future calculations of the Ratios shall be established by the Lender on or prior to the Effective Date in accordance with the form of Monthly Report. For purposes of calculating the Ratios, (i) averages shall be computed by rounding to the second decimal place and (ii) the Settlement Period in which the date of

determination thereof occurs shall not be included in the computation thereof and the first Settlement Period immediately preceding such date of determination shall be deemed to be the Settlement Period immediately preceding the Settlement Period in which such date of determination occurs.

RECEIVABLES SALE AGREEMENT

Dated as of July 29, 2004

by and among

EACH OF THE ENTITIES PARTY HERETO FROM TIME TO TIME  
AS ORIGINATORS,

INGRAM FUNDING INC.

and

INGRAM MICRO INC.

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THIS RECEIVABLES SALE AGREEMENT (as amended, supplemented or otherwise modified and in effect from time to time, this "Agreement") is entered into as of July 29, 2004, by and among each of the persons signatory hereto from time to time as Originators (each an "Originator" and, collectively, the "Originators"), INGRAM MICRO INC., a Delaware corporation ("Ingram Micro"), and INGRAM FUNDING INC., a Delaware corporation company ("Buyer").

#### RECITALS

A. The Buyer is a direct Subsidiary of Ingram Micro.

B. Buyer intends to purchase Receivables originated by each Originator and other Receivable Assets related thereto and to finance such Receivables and other Receivable Assets under the Funding Agreement.

C. Each Originator intends to sell, and Buyer intends to purchase, such Receivables and other Receivable Assets related thereto, from time to time, as described herein.

D. In addition, Ingram Micro may, from time to time, contribute capital to Buyer in the form of Contributed Receivables and other Receivable Assets related thereto or cash.

#### AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

#### ARTICLE I

##### DEFINITIONS AND INTERPRETATION

Section 1.01. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in Annex X.

Section 1.02. Rules of Construction. For purposes of this Agreement, the rules of construction set forth in Annex X shall govern. All Appendices hereto, or expressly identified to this Agreement, are incorporated herein by reference and, taken together with this Agreement, shall constitute but a single agreement.

#### ARTICLE II

##### TRANSFERS OF RECEIVABLES

Section 2.01. Agreement to Transfer.

(a) Receivables Transfers. Subject to the terms and conditions hereof, each Originator agrees to sell (without recourse except to the limited extent specifically provided herein) or, in the case of Ingram Micro, sell or contribute, to Buyer on the Effective Date and on each Business Day thereafter until the occurrence of the Termination Date (each such date

(including the Effective Date), a "Transfer Date"), all Receivables and other Receivable Assets related thereto owned by it as of the close of business on the immediately preceding Business Day, and Buyer agrees to purchase or acquire as a capital contribution all such Receivables and other Receivable Assets on the Effective Date and each such Transfer Date. All such Transfers by an Originator to Buyer shall collectively be evidenced by a single certificate of assignment between such Originator and Buyer substantially in the form of Exhibit 2.01(a) (each such certificate of assignment, a "Receivables Assignment"), and each Originator and Buyer shall execute and deliver such Receivables Assignment on or before the Effective Date (or, in the case of an Originator that becomes a party hereto after the Effective Date, on or before the relevant Originator Addition Date).

(b) Determination of Sold Receivables. On and as of each Transfer Date, (i) all Receivables and other Receivable Assets owned by each Originator (other than Ingram Micro) as of the close of business on the immediately preceding Business Day and not previously acquired by Buyer shall be identified for sale to Buyer, and (ii) to the extent Receivables and other Receivable Assets owned by Ingram Micro as of the close of business on the immediately preceding Business Day have not been contributed to Buyer in accordance with Section 2.01(d), such Receivables and other Receivable Assets shall be identified for sale to Buyer (each such Receivable identified for sale pursuant to clauses (i) and (ii) above, individually, a "Sold Receivable" and, collectively, the "Sold Receivables"). The Sold Receivables will be identified by reference to the General Trial Balance of each Originator.

(c) Payment of Sale Price. In consideration for each Sale of Sold Receivables and other Receivable Assets hereunder, Buyer shall pay to the Originator thereof on the Transfer Date therefor the Sale Price therefor in Dollars in immediately available funds (except as set forth in the second succeeding sentence or as provided in subsection (d) below). All cash payments by Buyer under this Section 2.01(c) shall be effected by means of a wire transfer on the day when due to such account or accounts as the Originators may designate from time to time. To the extent that the Sale Price of Sold Receivables and other Receivable Assets exceeds the amount of cash then available to Buyer, the applicable Originator hereby agrees to make a subordinated loan (each, a "Subordinated Loan") to Buyer in an amount up to the amount of such excess in satisfaction of the equivalent portion of the Sale Price not paid in cash; provided, that in no event shall the aggregate amount of all Subordinated Loans outstanding at any time from all Originators exceed twenty percent (20%) of the aggregate Outstanding Balance of Transferred Receivables at such time. The Subordinated Loans made by each Originator shall be evidenced by a subordinated promissory note substantially in the form of Exhibit 2.01(c) hereto (each, a "Subordinated Note") executed by Buyer. The Subordinated Loans shall bear interest and be payable as provided in the applicable Subordinated Note.

(d) Determination of Contributed Receivables. On each Transfer Date, Ingram Micro shall identify Receivables and other Receivable Assets related thereto then owned by Ingram Micro which have not been previously acquired by Buyer or identified for sale to Buyer pursuant to clause (b) above, and shall, prior to the delivery of an Election Notice, contribute such Receivables and other Receivable Assets related thereto as a capital contribution to the Buyer (each such contributed Receivable individually, a "Contributed Receivable," and collectively, the "Contributed Receivables"), to the extent Buyer cannot pay the Sale Price therefor first, in cash or second, through Subordinated Loans pursuant to the foregoing clauses (b) and (c).

Notwithstanding the foregoing, Ingram Micro shall not be obligated to make additional contributions to Buyer at any time. If on any Transfer Date (i) Ingram Micro elects not to contribute Receivables and other Receivable Assets to Buyer, or (ii) any Originator (other than Ingram Micro) elects not to sell all of its then owned Receivables and other Receivable Assets to Buyer, Ingram Micro or such Originator, as applicable, shall deliver to Buyer not later than 5:00 p.m. (New York time) on such Transfer Date a notice of election thereof (each such notice, an "Election Notice").

(e) Ownership of Transferred Receivables and other Receivable Assets. On and after each Transfer Date and after giving effect to the Transfers to be made on each such date, Buyer shall own the Transferred Receivables and other Receivable Assets and no Originator shall take any action inconsistent with such ownership nor shall any Originator claim any ownership interest in such Transferred Receivables and other Receivable Assets.

(f) Reconstruction of General Trial Balance. If at any time any Originator fails to generate its General Trial Balance, Buyer shall have the right to reconstruct such General Trial Balance so that a determination of the Sold Receivables and Contributed Receivables can be made pursuant to Section 2.01(b). Each Originator agrees to cooperate with such reconstruction, including by delivery to Buyer, upon Buyer's request, of copies of all applicable Contracts and Records.

(g) Servicing of Receivables. So long as no Event of Servicer Termination shall have occurred and be continuing and no Successor Servicer has assumed the responsibilities and obligations of the Servicer pursuant to Section 11.02 of the Funding Agreement, the Servicer shall (i) conduct the servicing, administration and collection of the Transferred Receivables and other Receivable Assets and shall take, or cause to be taken, all such actions as may be necessary or advisable to service, administer and collect the Transferred Receivables and other Receivable Assets, all in accordance with the terms of the Funding Agreement and the Credit and Collection Policy, and (ii) hold all Contracts and other documents and incidents relating to the Transferred Receivables and other Receivable Assets in trust for the benefit of Buyer, as the owner thereof, and for the sole purpose of facilitating the servicing of the Transferred Receivables and other Receivable Assets in accordance with the terms of the Funding Agreement.

(h) Marking of Records. In connection with the sales and contributions contemplated hereby, each Originator agrees at its own expense, with respect to the Receivables and any other similar receivables originated by such Originator that it will, as agent of the Buyer, (i) on or prior to the Effective Date and thereafter, indicate or cause to be indicated on the computer files and other physical records (but not including individual invoices or individual collection files) relating to such Receivables (by means of a general legend that will automatically appear at or near the beginning of any screen, list or print-out of such Receivables) that, unless otherwise specifically identified on such screen, list or print-out as a receivable not so sold or contributed, all Receivables included in such screen, list or print-out have been sold or contributed to the Buyer in accordance with this Agreement and (ii) deliver or transmit or cause to be delivered or transmitted to the Buyer and the Lender a computer tape, diskette or data transmission containing a complete list of all Receivables transferred to the Buyer specifying for each such Receivable, as of a date no later than the Effective Date and as of such other dates as Buyer or Lender shall designate, which date, in the absence of the occurrence and continuance of a Termination Event,

shall not occur more often than annually (each such date, a "Subsequent Cut-Off Date"), at least (A) the name of the Obligor and (B) the Outstanding Balance of the Receivables owing by such Obligor.

Section 2.02. Grant of Security Interest. The parties hereto intend that each Transfer shall constitute a purchase and sale or capital contribution, as applicable, and not a loan. Notwithstanding the foregoing, in addition to and not in derogation of any rights now or hereafter acquired by Buyer under Section 2.01 hereof, the parties hereto intend that this Agreement shall constitute a security agreement under applicable law and if a court of competent jurisdiction determines that any transaction provided for herein constitutes a loan and not a sale or capital contribution, as applicable, that each Originator shall be deemed to have granted, and each Originator does hereby grant, to Buyer a continuing security interest in all of such Originator's right, title and interest in, to and under the Receivables and other Receivable Assets whether now owned or hereafter acquired by such Originator to secure the obligations of such Originator to Buyer hereunder (including, if and to the extent that any Transfer is recharacterized as a transfer for security under applicable law, the repayment of a loan deemed to have been made by Buyer to the applicable Originator in the amount of the Sale Price with respect to such recharacterized Transfer).

Section 2.03. Parent Agreement. Ingram Micro hereby undertakes and agrees, to and for the benefit of Buyer, to cause the due and punctual performance and observance by each Originator (other than Ingram Micro) of all of the terms, conditions, agreements and undertakings on the part of such Originator to be performed or observed by it hereunder or under any other Related Document and, in connection therewith, shall execute and deliver to Buyer on the first Originator Addition Date, an agreement substantially in the form of Exhibit 2.03 (the "Parent Agreement"), to more fully evidence such undertaking.

Section 2.04. Originators Remain Liable. It is expressly agreed by the Originators that, anything herein to the contrary notwithstanding, each Originator shall remain liable to the Obligor (and any other party to the related Contract) under any and all of the Receivables originated by it and other Receivable Assets related thereto and under the Contracts therefor to observe and perform all the conditions and obligations to be observed and performed by it thereunder. Buyer shall not have any obligation or liability to the Obligor or any other party to the related Contract under any such Receivables and other Receivable Assets or Contracts by reason of or arising out of this Agreement or the granting herein of a Lien thereon or the receipt by Buyer of any payment relating thereto pursuant hereto. The exercise by Buyer of any of its rights under this Agreement shall not release any Originator from any of its respective duties or obligations under any such Receivables and other Receivable Assets or Contracts. Buyer shall not be required or obligated in any manner to perform or fulfill any of the obligations of any Originator under or pursuant to any such Receivable and other Receivable Assets or Contract, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any such Receivable and other Receivable Assets or Contract, or to present or file any claims, or to take any action to collect or enforce any performance or the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

Section 2.05. Rebates, Adjustments, Returns, Reductions and Modifications. From time to time each Originator may make Dilution Adjustments to Receivables in accordance with this Section 2.05 and Section 6.02. Each Originator agrees to pay to the Buyer, on the Settlement Date immediately succeeding the date on which any Dilution Adjustment is granted or made, the amount of any such Dilution Adjustment (a "Dilution Adjustment Payment"). The amount of any Dilution Adjustment shall be set forth on the first Borrowing Base Certificate prepared after the date on which such Dilution Adjustment was granted or made.

Section 2.06. Payments in Respect of Ineligible Receivables and Originator Indemnification Payments. (a) Originator Adjustment Payments. If (i) any representation or warranty under Sections 4.02(a) or (b) is not true and correct as of the date specified therein with respect to any Receivable sold to the Buyer or any Receivable encompassed by the representation or warranty under Section 4.02(c) hereof is determined not to be an Eligible Receivable as of its date of purchase, (ii) there is a breach of any covenant under Section 6.01 hereof with respect to any Receivable or (iii) the Buyer's interest in any Receivable is not a first priority perfected ownership or security interest at any time as a result of any action taken by, or the failure to take action by, the applicable Originator (each event referred to in clauses (i), (ii) and (iii) of this Section 2.06(a) shall be referred to herein as an "Ineligibility Event" and any Receivable as to which an Ineligibility Event applies shall be referred to herein as an "Ineligible Receivable"), then the Originator that originated such Receivable agrees to pay to the Buyer, upon the request of the Buyer or the Originator obtaining knowledge of such Ineligibility Event, an amount (the "Adjustment Amount") equal to the Outstanding Balance of such Receivable as of the date such Receivable was conveyed to the Buyer hereunder (whether the Buyer paid the related Sale Price in cash or otherwise) less Collections received by the Buyer in respect of the principal amount of such Receivable. Such payment shall be made on or prior to the 30th day after the day the Buyer requests such payment or the applicable Originator obtains knowledge that such payment is due (except that if such day is not a Business Day, then such payment shall be made on the Business Day immediately succeeding such day); provided that in the event that a Purchase Termination Event with respect to such Originator has occurred and is continuing, such Originator shall make such payment immediately upon the Buyer's request for such payment or such Originator obtaining knowledge that such payment is due. Any payment by any Originator pursuant to this Section 2.06(a) is referred to as an "Originator Adjustment Payment". If, on or prior to such 30th day (or the Business Day immediately succeeding such 30th day, as applicable), an Originator shall make an Originator Adjustment Payment in respect of any such Ineligible Receivable, then the Buyer shall have no further remedy against such Originator in respect of the Ineligibility Event with respect to such Receivable. Upon payment of an Originator Adjustment Payment, the Buyer shall automatically agree to pay to the applicable Originator all Collections received with respect to such Ineligible Receivable.

(b) Special Indemnification. In addition to its obligations under Section 8.02 hereof, each Originator agrees to pay, indemnify and hold harmless the Buyer and its successors and assigns from any loss, liability, expense, damage or injury which may at any time be imposed on, incurred by or asserted against the Buyer in any way relating to or arising out of (i) any Eligible Receivable originated by such Originator becoming subject to any defense, dispute, offset or counterclaim of any kind (other than as expressly permitted by this Agreement or the Funding Agreement) or (ii) such Originator breaching any covenant applicable to it contained in Section 5.02, 5.08, 5.09, 5.10, 5.14, 6.01, 6.02, 6.03, 6.04, 6.05, 6.09 or 6.10 with respect to any

Receivable originated by it (each of the foregoing events or circumstances being an "Originator Indemnification Event"), and such Receivable (or a portion thereof) ceasing to be an Eligible Receivable on the date on which such Originator Indemnification Event occurs. The amount of such indemnification shall be equal to the Outstanding Balance of such Receivable on the date it was conveyed to the Buyer hereunder (whether the Company paid the related Sale Price in cash or otherwise) less Collections received by the Buyer in respect of the principal amount of such Receivable. Such payment shall be made on or prior to the 30th Business Day after the day the Buyer requests such payment or the applicable Originator obtains knowledge that such payment is due unless such Originator Indemnification Event shall have been cured on or before such 30th Business Day; provided, however, that in the event that a Purchase Termination Event with respect to such Originator has occurred and is continuing, such Originator shall make such payment immediately. If, on or prior to such 30th Business Day, the applicable Originator shall make such payment, then the Buyer shall have no further remedy against such Originator in respect of such Originator Indemnification Event. Any payment by an Originator pursuant to this Section 2.06(b) is referred to as an "Originator Indemnification Payment". Upon payment of an Originator Indemnification Payment, the Buyer shall automatically agree to pay to such Originator all Collections with respect to the Receivable in respect of which an Originator Indemnification Payment is made.

### ARTICLE III

#### CONDITIONS PRECEDENT

Section 3.01. Conditions Precedent to the Buyer's Purchase of Receivables and other Receivable Assets on the Effective Date. The obligation of the Buyer to purchase from each Originator the Receivables and other Receivable Assets on the Effective Date is subject to the conditions precedent, which may be waived by the Buyer, that (a) this Agreement and each Subordinated Note shall be in full force and effect and (b) the conditions set forth below shall have been satisfied on or before the Effective Date:

(i) the Buyer shall have received copies of duly adopted resolutions of the Board of Directors or other governing body of each Originator, as in effect on the Effective Date, authorizing the transactions contemplated hereby, certified by the Secretary or Assistant Secretary of such Originator;

(ii) the Buyer shall have received duly executed certificates of the Secretary or an Assistant Secretary of each Originator, dated the Effective Date, and in form and substance reasonably satisfactory to the Buyer, certifying the names and true signatures of the officers authorized on behalf of such Originator to sign this Agreement and any instruments or documents in connection with this Agreement;

(iii) each Originator shall have filed, at its own expense, UCC-1 financing statements with respect to the Receivables originated by such Originator and other Receivable Assets related thereto in such manner and in such jurisdictions as are necessary to perfect the Buyer's ownership interest therein under the UCC and delivered evidence of such filings to the Buyer; and all other action necessary, in the reasonable judgment of the Buyer, to perfect under the UCC (to the extent applicable) the Buyer's

ownership of the Transferred Receivables originated by such Originator and other Receivable Assets related thereto shall have been duly taken;

(iv) each Originator shall have delivered or transmitted to the Buyer, with respect to the Receivables originated by such Originator, a computer tape, diskette or data transmission reasonably acceptable to the Buyer showing, as of a date no later than the Effective Date, such information as the Buyer shall reasonably request relating to all Receivables to be transferred by such Originator to the Buyer on or prior to the Effective Date;

(v) the Buyer shall have received reports of UCC-1 and other searches of each Originator with respect to the Receivables originated by such Originator and other Receivable Assets related thereto reflecting the absence of Adverse Claims thereon, except for Permitted Liens and Liens as to which the Buyer has received UCC termination statements;

(vi) the Buyer shall be satisfied that each Originator's systems, procedures and record keeping relating to the Receivables originated by such Originator are sufficient and satisfactory in order to permit the purchase and administration of such Receivables in accordance with the terms and intent of this Agreement;

(vii) a Lockbox Account shall have been established in the name of the Buyer and all Obligors with respect to Transferred Receivables shall have been directed to remit all payments with respect to such Transferred Receivables to the related Lockbox; and

(viii) the Buyer shall have received such other approvals, opinions or documents as the Buyer may reasonably request.

Section 3.02. Conditions Precedent to All Transfers. The obligation of the Buyer to purchase any Receivable and other Receivable Assets on each Transfer Date (including the Effective Date) shall be subject to the further conditions precedent, which, other than conditions precedent relating to Purchase Termination Events set forth in Section 7.01(g) or (h), may be waived by the Buyer, that, on and as of such Transfer Date, the following statements shall be true (and the acceptance by each Originator of the Sale Price for such Receivable and other Receivable Assets on such Transfer Date shall constitute a representation and warranty by such Originator that on such Transfer Date the statements in clauses (i) and (ii) below are true):

(i) the representations and warranties of each Originator contained in Sections 4.01 and 4.02 shall be true and correct on and as of such Transfer Date as though made on and as of such date, except insofar as such representations and warranties are expressly made only as of another date (in which case they shall be true and correct as of such other date);

(ii) after giving effect to such purchase, no Purchase Termination Event or Potential Purchase Termination Event (including, without limitation, any event set forth in Section 7.01 (d)(ii)(A)) with respect to the applicable Originator shall have occurred and be continuing;

(iii) after giving effect to such purchase, no Termination Event or Incipient Termination Event shall have occurred and be continuing; and

(iv) the Buyer shall have received such other approvals, opinions or documents as the Buyer may reasonably request; provided, however, that the failure of the applicable Originator to satisfy any of the foregoing conditions shall not prevent such Originator from subsequently selling Receivables originated by it and other Receivable Assets related thereto upon satisfaction of all such conditions.

Section 3.03. Conditions Precedent to Each Originator's Obligations on the Effective Date. The obligations of each Originator on the Effective Date shall be subject to the conditions precedent, which may be waived by such Originator, that such Originator shall have received on or before the Effective Date the following, each dated the Effective Date and in form and substance satisfactory to such Originator:

(i) a copy of duly adopted resolutions of the Board of Directors of the Buyer authorizing the transactions contemplated hereby, certified by the Secretary or Assistant Secretary of the Buyer; and

(ii) a duly executed certificate of the Secretary or Assistant Secretary of the Buyer certifying the names and true signatures of the officers or authorized representatives authorized on its behalf to sign this Agreement and the other documents to be delivered by it hereunder.

Section 3.04. Conditions Precedent to All of Each Originator's Obligations. The obligation of each Originator to sell any Receivable and other Receivable Assets on any Transfer Date (including on the Effective Date) shall be subject to the further conditions precedent, which may be waived by such Originator, that, on the such Transfer Date, the following statement shall be true (and the payment by the Buyer of the Sale Price for such Receivable and other Receivable Assets on such Transfer Date shall constitute a representation and warranty by the Buyer on such Transfer Date that the statement in clause (ii) below is true): after giving effect to such purchase, (i) no Purchase Termination Event set forth in Section 7.01(d) hereof shall have occurred and be continuing, and (ii) no Termination Event set forth in Section 9.01(d) of the Funding Agreement (as in effect on the date hereof and without giving effect to any amendment or supplement to, or modification or waiver of, or departure from, such paragraph unless, in each case, such Originator shall have consented thereto) shall have occurred and be continuing.

Section 3.05. Condition Precedent to the Addition of an Originator. No direct or indirect Subsidiary approved by the Buyer as an additional Originator pursuant to Section 8.10 hereof shall be added as an Originator hereunder unless the conditions set forth below shall have been satisfied on or before the date designated for the addition of such Originator (the "Originator Addition Date"):

(i) the Buyer shall have received an executed copy of a supplement substantially in the form of Exhibit 3.05 hereto (each such supplement, an "Additional Originator Supplement"), duly executed and delivered by such Originator;

(ii) the Buyer shall have received copies of duly adopted resolutions of the Board of Directors of such Originator, as in effect on the related Originator Addition Date, authorizing this Agreement, the other documents to be delivered by such Originator hereunder and the transactions contemplated hereby and thereby, certified by the Secretary or Assistant Secretary of such Originator;

(iii) the Buyer shall have received duly executed certificates of the Secretary or an Assistant Secretary of such Originator, dated the related Originator Addition Date, and in form and substance reasonably satisfactory to the Buyer, certifying the names and true signatures of the officers authorized on behalf of such Originator to sign the Additional Originator Supplement or any instruments or documents in connection with this Agreement;

(iv) a Lockbox Account with respect to Receivables to be sold by such Originator shall have been established in the name of the Buyer, or such Originator shall have become a party to an agreement governing an existing Lockbox Account pursuant to which such Originator shall transfer ownership of such Lockbox Account to the Buyer, and all Obligors with respect to such Receivables shall have been directed to remit payments with respect to such Receivables to such Lockbox Account or the related Lockbox;

(v) such Originator shall have filed and recorded, at its own expense, UCC-1 financing statements (and other similar instruments) with respect to the Receivables and other Receivable Assets originated by such Originator in such manner and in such jurisdictions as are necessary to perfect the Buyer's ownership interest thereof under the UCC and delivered evidence of such filings to the Buyer on or prior to the related Originator Addition Date; and all other action necessary, in the reasonable judgment of the Buyer, to perfect the Buyer's ownership of the Transferred Receivables and other Receivable Assets originated by such Originator shall have been duly taken;

(vi) such Originator shall have delivered or transmitted to the Buyer, with respect to the Receivables originated by it, a computer tape, diskette or data transmission reasonably acceptable to the Buyer showing, as of a date no later than five Business Days preceding the related Originator Addition Date, such information relating to all Receivables to be transferred by such Originator to the Buyer on the related Originator Addition Date as the Buyer shall request;

(vii) the Buyer shall have received reports of UCC-1 and other searches of such Originator with respect to the Receivables and other Receivable Assets originated by such Originator reflecting the absence of Adverse Claim thereon, except for (i) Permitted Liens and (ii) Liens as to which the Buyer has received UCC termination statements to be filed on or prior to the related Originator Addition Date;

(viii) the Buyer shall be satisfied that such Originator's systems, procedures and record keeping relating to the Transferred Receivables originated by such Originator and other Receivable Assets related thereto are sufficient and satisfactory in order to permit

the purchase and administration of such Transferred Receivables and other Receivable Assets in accordance with the terms and intent of this Agreement;

(ix) such Originator shall have delivered to the Buyer a duly executed copy of a Receivables Assignment;

(x) in the case of the first Originator Addition Date, Ingram Micro shall have delivered to the Buyer and the Lender a duly executed copy of the Parent Agreement;

(xi) the prior written consent of the Lender shall have been obtained; and

(xii) the Buyer shall have received such other approvals, opinions or documents as the Buyer may reasonably request from such Originator.

#### ARTICLE IV

##### REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 4.01. Representations and Warranties of the Originators. Ingram Micro as to itself and, where provided, its Significant Subsidiaries, and each other Originator as to itself only, represents and warrants as follows:

(a) Organization; Powers. It (i) is a corporation, business trust or limited partnership, as applicable, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii) has all requisite power and authority to own its property and assets and to carry on its business as now conducted and as proposed to be conducted, (iii) is qualified to do business in, and is in good standing in, every jurisdiction where the nature of its business so requires, except where the failure so to qualify could not reasonably be expected to result in an Originator Material Adverse Effect and (iv) has the corporate, trust or limited partnership, as applicable, power and authority to execute, deliver and perform its obligations under each of the Related Documents and each other agreement or instrument contemplated hereby or thereby to which it is or will be a party.

(b) Authorization. The execution, delivery and performance by such Originator of each of the Related Documents to which such Originator is a party and the performance of the transactions contemplated hereby and thereby (collectively, the "Transactions") (i) have been duly authorized by all requisite corporate, trust or partnership action, as applicable, and, if required, stockholder action and (ii) will not (A) violate (1) any Requirement of Law applicable to such Originator or (2) any provision of any Related Document or other material Contractual Obligation to which it is a party or by which any of them or any of their property is or may be bound, (B) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, or give rise to any right to accelerate or to require the prepayment, repurchase or redemption of any obligation under, any Related Document or any other material Contractual Obligation except where any such conflict, violation, breach or default referred to in clause (A) or (B), individually or in the aggregate, could not reasonably be expected to have an Originator Material Adverse Effect or (C) result in the creation or imposition of any Lien upon the Transferred Receivables or other Receivable Assets (other than Permitted Liens and any Lien created hereunder or contemplated or permitted hereby).

(c) Enforceability. This Agreement has been duly executed and delivered by such Originator and constitutes, and each other Related Document to which such Originator is a party when executed and delivered by such Originator will constitute, a legal, valid and binding obligation of such Originator enforceable against such Originator in accordance with its terms, subject to (i) applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforcement of creditors' rights generally, from time to time in effect, and (ii) general principles of equity (whether enforcement is sought by a proceeding in equity or at law).

(d) Governmental Approvals. No action, consent or approval of, registration or filing with, or any other action by, any Governmental Authority is or will be required in connection with the Transactions, except for (i) the filing of UCC financing statements, (ii) such actions, consents, approvals, registrations and filings as have been made or obtained and are in full force and effect and (iii) such actions, consents, approvals and filings the failure of which to obtain or make could not reasonably be expected to result in an Originator Material Adverse Effect.

(e) Litigation; Compliance with Laws. There are no actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to the knowledge of such Originator, threatened against such Originator or any Significant Subsidiary in respect of which there exists a reasonable possibility of an outcome that would result in an Originator Material Adverse Effect.

(f) Judgments. Neither such Originator nor any Significant Subsidiary is in default with respect to any judgment, writ, injunction, decree or order of any Governmental Authority, where such violation or default could reasonably be expected to result in an Originator Material Adverse Effect.

(g) Agreements. Neither such Originator nor any Significant Subsidiary is a party to any agreement or instrument or subject to any corporate restriction that has resulted or could reasonably be expected to result in an Originator Material Adverse Effect.

(h) Contractual Obligations. Neither such Originator nor any Significant Subsidiary is in default in any manner under any provision of any Contractual Obligation to which it is a party or by which it or any of its properties or assets are bound, where such default could reasonably be expected to result in an Originator Material Adverse Effect.

(i) Federal Reserve Regulations. Neither such Originator nor any Significant Subsidiary is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying Margin Stock.

(j) Use of Proceeds. No part of the proceeds from the sale of Receivables and other Receivable Assets hereunder will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that entails a violation of, or that is inconsistent with, the provisions of the Regulations of the Board, including Regulation U or Regulation X.

(k) Investment Company Act. Such Originator is not an "investment company" as defined in, or subject to regulation under, the Investment Company Act or any successor statute thereto.

(l) Tax Returns. Such Originator and each Significant Subsidiary has filed or caused to be filed all material tax returns (Federal, State and local) and has paid or caused to be paid or made adequate provision for all taxes due and payable by it and all assessments received by it, except to the extent that such failure to file or nonpayment (i) is being contested in good faith or (ii) could reasonably be expected to result in an Originator Material Adverse Effect.

(m) Employee Benefit Plans. Except to the extent failure to comply could not reasonably be expected to result in an Originator Material Adverse Effect, such Originator and its ERISA Affiliates are in compliance in all material respects with the applicable provisions of ERISA and the IRC and the regulations and published interpretations thereunder. No Reportable Event has occurred or is reasonably expected to occur that, when taken together with all other such Reportable Events, could reasonably be expected to result in an Originator Material Adverse Effect.

(n) Accounting Treatment. Such Originator will not prepare any financial statements that shall account for the transactions contemplated hereby, nor will it in any other respect (other than for tax purposes) account for the transactions contemplated hereby, in a manner that is inconsistent with the Buyer's ownership interest in the Transferred Receivables and other Receivable Assets.

(o) Indebtedness to Buyer. Immediately prior to consummation of the transactions contemplated hereby on the Effective Date, such Originator had no outstanding Debt to the Buyer other than amounts permitted by this Agreement.

(p) Lockboxes. Set forth in Schedule 4.01(p) hereto is a complete and accurate description as of the Effective Date of each Lockbox Account currently maintained by such Originator. Each of the Lockbox Account Agreements is the valid and binding agreement of such Originator, enforceable against such Originator in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforcement of creditors' rights generally, from time to time in effect and to general principles of equity (whether enforcement is sought by a proceeding in equity or at law).

(q) Chief Executive Office; Jurisdiction of Organization. The offices at which such Originator keeps its records concerning the Transferred Receivables originated by it and other Receivable Assets related thereto either (x) are located as set forth on Schedule 4.01(q) hereto or (y) are in locations as to which such Originator has notified the Buyer in accordance with Section 5.06 hereof. The chief executive office and jurisdiction of organization of such Originator are listed opposite its name on Schedule 4.01(q), and neither the location of such chief executive office nor such jurisdiction of organization has changed in the past four months.

(r) Bulk Sales Act. No transaction contemplated hereby with respect to such Originator requires compliance with, or will be subject to avoidance under, any bulk sales act or similar law.

(s) Names. The legal name of such Originator is as set forth in this Agreement. It has no trade names, fictitious names, assumed names or "doing business as" names except as set forth on Schedule 4.01(s).

(t) Solvency. No Insolvency Event with respect to such Originator has occurred and the sale of the Receivables and other Receivable Assets by it to the Buyer has not been made in contemplation of the occurrence thereof. Both prior to and after giving effect to the transactions occurring on the Effective Date and after giving effect to each subsequent transaction contemplated hereunder, (i) the fair value of the assets of such Originator at a fair valuation will exceed the debts and liabilities, subordinated, contingent or otherwise, of such Originator; (ii) the present fair salable value of the property of such Originator will be greater than the amount that will be required to pay the probable liability of such Originator on its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) such Originator will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) such Originator will not have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted. For all purposes of clauses (i) through (iv) above, the amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability. Such Originator does not intend to, nor does it believe that it will, incur debts beyond its ability to pay such debts as they mature, taking into account the timing of and amounts of cash to be received by it and the timing of the amounts of cash to be payable on or in respect of its Indebtedness.

(u) No Purchase Termination Event. As of the Effective Date, no Purchase Termination Event or Potential Purchase Termination Event with respect to such Originator has occurred and is continuing.

(v) No Fraudulent Transfer. Such Originator is not entering into this Agreement with the intent (whether actual or constructive) to hinder, delay, or defraud its present or future creditors and is receiving reasonably equivalent value and fair consideration for the Receivables and other Receivable Assets originated by it being transferred hereunder.

(w) Collection Procedures. Such Originator has in place procedures which are either necessary or advisable to facilitate the timely collection of Receivables originated by it.

(x) Fair Value. With respect to each Transferred Receivable and other Receivable Assets acquired by the Buyer hereunder, the Buyer has purchased such Transferred Receivable and other Receivable Assets from such Originator in exchange for payment in an amount which constitutes fair consideration and approximates fair market value for such Transferred Receivable and other Receivable Assets and in a sale the terms and conditions of which (including, without limitation, the purchase price thereof) reasonably approximate an arm's-length transaction between unaffiliated parties. Each sale by such Originator to the Buyer of a Transferred Receivable and other Receivable Assets has been made for "reasonably equivalent value" (as such term is used in Section 548 of the Bankruptcy Code) and not for or on account of an "antecedent debt" (as such term is used in Section 547 of the Bankruptcy Code) owed by such Originator to the Buyer.

The representations and warranties described in this Section 4.01 shall survive the Transfer of the Transferred Receivables and other Receivable Assets to Buyer, any subsequent assignment of

the Transferred Receivables and other Receivable Assets by Buyer, and the termination of this Agreement and the other Related Documents and shall continue until the indefeasible payment in full of all Transferred Receivables.

Section 4.02. Representations and Warranties of the Originators Relating to the Receivables and other Receivable Assets. Each Originator hereby represents and warrants to the Buyer on each Transfer Date that with respect to the Receivables and other Receivable Assets originated by it being paid for as of such date:

(a) Receivables Description. As of the Effective Date and each Subsequent Cut-Off Date, the computer tape, diskette or data transmission delivered or transmitted pursuant to Section 2.01(h) sets forth in all material respects an accurate and complete listing of all Receivables conveyed to the Buyer on or before the Effective Date or such Subsequent Cut-Off Date, as the case may be, and the information contained therein with respect to each such Receivable is true and correct as of the Effective Date or such Subsequent Cut-Off Date, as applicable. As of the Effective Date and each Subsequent Cut-Off Date, the aggregate amount of Receivables owned by such Originator is accurately set forth on such computer tape, diskette or data transmission.

(b) No Adverse Claims. Each Receivable and other Receivable Assets existing on the Effective Date or, in the case of Receivables and other Receivable Assets transferred to the Buyer after the Effective Date, on the applicable Transfer Date, has been conveyed to the Buyer free and clear of any Adverse Claims, except for Permitted Liens.

(c) Eligible Receivables. On the Effective Date, each Receivable identified in the Borrowing Base Certificate delivered on the Effective Date as an Eligible Receivable transferred to the Buyer is an Eligible Receivable on the Effective Date and, in the case of Receivables transferred to the Buyer after the Effective Date, each such Receivable that is identified in a Borrowing Base Certificate or a Monthly Report as an Eligible Receivable transferred to the Buyer on such later date is an Eligible Receivable on such later date.

(d) Filings. All filings and other acts necessary (including but not limited to all filings and other acts necessary or advisable under the UCC) shall have been made or performed in order to grant the Buyer a first priority perfected ownership or security interest in respect of all Transferred Receivables and other Receivable Assets.

The representations and warranties described in this Section 4.02 shall survive the Transfer of the Transferred Receivables and other Receivable Assets to Buyer, any subsequent assignment of the Transferred Receivables and other Receivable Assets by Buyer, and the termination of this Agreement and the other Related Documents and shall continue until the indefeasible payment in full of all Transferred Receivables.

Section 4.03. Representations and Warranties of the Buyer. The Buyer represents and warrants as to itself as follows:

(a) Organization; Powers. The Buyer (i) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii) has all requisite power and authority to own its property and assets and to carry on its business as now

conducted and as proposed to be conducted, (iii) is qualified to do business in, and is in good standing in, each jurisdiction where the nature of its business so requires, except where the failure so to qualify would not have a Borrower Material Adverse Effect and (iv) has the corporate power and authority to execute, deliver and perform its obligations under each of the Related Documents and each other agreement or instrument contemplated hereby or thereby to which it is or will be a party.

(b) Authorization. The execution, delivery and performance by the Buyer of each of the Related Documents and the performance of the Transactions (i) have been duly authorized by all requisite corporate and, if required, stockholder action and (ii) will not (A) violate (1) any Requirement of Law applicable to the Buyer or (2) any provision of any Related Document or any other Contractual Obligation to which the Buyer is a party or by which it or any of its property is or may be bound, (B) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, or give rise to any right to accelerate or to require the pre-payment, repurchase or redemption of any obligation under any Related Document or any other Contractual Obligation or (C) result in the creation or imposition of any Adverse Claim upon the Transferred Receivables and other Receivable Assets (other than Permitted Liens).

(c) Enforceability. This Agreement has been duly executed and delivered by the Buyer and constitutes, and each other Related Document to which the Buyer is a party when executed and delivered by the Buyer will constitute, a legal, valid and binding obligation of the Buyer enforceable against the Buyer in accordance with its respective terms, subject (i) to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforcement of creditors, rights generally, from time to time in effect and (ii) to general principles of equity whether enforcement is sought by a proceeding in equity or at law.

(d) Accounting Treatment. The Buyer will not prepare any financial statements that shall account for the transactions contemplated hereby, nor will it in any other respect (other than for tax purposes) account for the transactions contemplated hereby, in a manner that is inconsistent with the Buyer's ownership interest in the Transferred Receivables and other Receivable Assets.

#### ARTICLE V

##### AFFIRMATIVE COVENANTS OF THE ORIGINATORS

Each Originator hereby agrees that, so long as there are any amounts outstanding with respect to Transferred Receivables originated by it previously conveyed to the Buyer or until the occurrence of an Early Termination, whichever is later, such Originator shall:

Section 5.01. Certificates; Other Information. Furnish to the Buyer:

(a) not later than 120 days after the end of each fiscal year and not later than 90 days after the end of each of the first three fiscal quarters of each fiscal year, a certificate of a Responsible Officer of such Originator stating that, to the knowledge of such Responsible Officer (after due inquiry), such Originator during such period has observed or performed all of its covenants and other agreements, and satisfied every condition, contained in the Related

Documents to which it is a party to be observed, performed or satisfied by it, and that such Responsible Officer has obtained no knowledge of any Purchase Termination Event or Potential Purchase Termination Event except as specified in such certificate; and

(b) promptly, such additional financial and other information as the Buyer may from time to time reasonably request.

#### Section 5.02. Compliance with Law and Credit and Collection Policy.

(a) Comply with all Requirements of Law and material Contractual Obligations applicable to it except to the extent that non-compliance would not reasonably be likely to result in an Originator Material Adverse Effect.

(b) Perform its obligations in accordance with the Credit and Collection Policy, as amended from time to time in accordance with the Related Documents, in regard to the Receivables originated by it.

Section 5.03. Preservation of Existence. (a) Preserve and maintain its corporate trust or limited partnership existence, rights, franchises and privileges in the jurisdiction of its organization and (b) qualify and remain qualified in good standing as a foreign corporation, business trust or limited partnership in each jurisdiction where the nature of its business so requires, except where the failure so to qualify would not, individually or in the aggregate with other such failures, have an Originator Material Adverse Effect.

#### Section 5.04. Separate Corporate Existence.

(a) Maintain its deposit account or accounts, separate from those of the Buyer and ensure that its funds will not be diverted to the Buyer, nor will such funds be commingled with the funds of the Buyer;

(b) To the extent that it shares any officers or other employees with the Buyer, the salaries of and the expenses related to providing benefits to such officers and other employees shall be fairly allocated among it and the Buyer, and it and the Buyer shall bear their fair shares of the salary and benefit costs associated with all such common officers and employees;

(c) To the extent that it jointly contracts with the Buyer to do business with vendors or service providers or to share overhead expenses, the costs incurred in so doing shall be allocated fairly between it and the Buyer and it and the Buyer shall bear their fair shares of such costs. To the extent that it contracts or does business with vendors or service providers where the goods and services provided are partially for the benefit of the Buyer, the costs incurred in so doing shall be fairly allocated between it and the Buyer in proportion to the benefit of the goods or services each is provided, and it and the Buyer shall bear their fair shares of such costs. All material transactions between it and the Buyer, whether currently existing or hereafter entered into, shall be only on an arm's length basis;

(d) Maintain office space separate from the office space of the Buyer (but which may be located at the same address as the Buyer). To the extent that it and the Buyer have offices

in the same location, there shall be a fair and appropriate allocation of overhead costs between them, and each shall bear its fair share of such expenses;

(e) Issue financial statements separate from any financial statements issued by the Buyer;

(f) Not assume or guarantee any of the liabilities of the Buyer; and

(g) Take, or refrain from taking, as the case may be, all other actions that are necessary to be taken or not to be taken in order (x) to ensure that the assumptions and factual recitations set forth in the opinion of Davis Polk & Wardwell delivered pursuant to the Schedule of Documents with respect to issues of substantive consolidation and true-sale and absolute transfer, remain true and correct with respect to it (and, to the extent within its control, to ensure that the assumptions and factual recitations set forth in such opinions remain true and correct with respect to the Buyer) and (y) to comply with those procedures described in such provisions that are applicable to it.

Section 5.05. Inspection of Property; Books and Records; Discussions. Keep proper books of records and account in which entries in conformity with GAAP shall be made of all dealings and transactions in relation to its business and activities; and permit representatives of the Buyer upon reasonable advance notice to visit and inspect any of its properties and examine and make abstracts from any of its books and records during normal business hours on any Business Day and as often as may reasonably be requested, subject to such Originator's security and confidentiality requirements and to discuss the business, operations, properties and financial condition of such Originator with officers and employees of such Originator. Any such examination or visit shall be at the cost and expense of the party or parties making such examination or visit.

Section 5.06. Location of Records. Keep its chief place of business and chief executive office, and the offices where it keeps the records concerning the Transferred Receivables and other Receivable Assets (and all original documents relating thereto), at the locations set forth on Schedule 4.01(q) hereto or upon 30 days' prior written notice to the Buyer, at such other locations in a jurisdiction where all action required by Section 5.13 shall have been taken and completed and be in full force and effect; provided, however, that the Lender shall be notified of any such changes in location.

Section 5.07. Computer Files. At its own cost and expense, retain the ledger used by it as a master record of the Obligors and retain copies of all documents relating to each Obligor as custodian and agent for the Buyer and other Persons with interests in the Transferred Receivables originated by it and other Receivable Assets related thereto.

Section 5.08. Obligations. Defend the right, title and interest of the Buyer and its assigns in, to and under the Receivables originated by it and other Receivable Assets related thereto, whether now existing or hereafter created, against all claims of third parties claiming through any Originator. Such Originator will duly fulfill all obligations on its part to be fulfilled under or in connection with each Receivable originated by it and other Receivable Assets related thereto

and will do nothing to materially impair the rights of the Buyer in such Receivable and other Receivable Assets.

Section 5.09. Collections. Instruct each Obligor to make payments in respect of its Receivables to a Lockbox or a Lockbox Account or by wire transfer to the Collection Account and to comply in all material respects with procedures with respect to Collections reasonably specified from time to time by the Buyer. In the event that any payments in respect of any such Receivables are made directly to such Originator (including, without limitation, any employees thereof or independent contractors employed thereby), such Originator shall, within two Business Days of receipt thereof, deliver (which may be via regular mail) or deposit such amounts to a Lockbox, a Lockbox Account or the Collection Account and, prior to forwarding such amounts, such Originator shall hold such payments in trust as custodian for the Buyer and the Lender.

Section 5.10. Furnishing Copies, Etc. Furnish to the Buyer:

(a) within five Business Days of the Buyer's request, a certificate of the chief financial officer of such Originator or of the Servicer, on behalf of such Originator, certifying, as of the date thereof, to the knowledge of such officer, that no Purchase Termination Event has occurred and is continuing or if one has so occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto;

(b) promptly after a Responsible Officer of such Originator obtains knowledge of the occurrence of any Purchase Termination Event or Potential Purchase Termination Event, written notice thereof;

(c) promptly following request therefor, such other information, documents, records or reports regarding or with respect to the Transferred Receivables and other Receivable Assets, as the Buyer may from time to time reasonably request;

(d) promptly upon determining that any Transferred Receivable originated by it designated as an Eligible Receivable on the applicable Borrowing Base Certificate or Monthly Report was not an Eligible Receivable as of the date provided therefor, written notice of such determination.

Section 5.11. Responsibilities of the Originators. Notwithstanding anything herein to the contrary, (i) each Originator shall perform or cause to be performed all of its obligations under the Credit and Collection Policy related to the Transferred Receivables to the same extent as if such Transferred Receivables had not been transferred to the Buyer hereunder, (ii) the exercise by the Buyer of any of its rights hereunder shall not relieve such Originator of its obligations with respect to such Transferred Receivables and other Receivable Assets and (iii) except as provided by law, the Buyer shall not have any obligation or liability with respect to any Transferred Receivables and other Receivable Assets, nor shall the Buyer be obligated to perform any of the obligations or duties of such Originator thereunder.

Section 5.12. Assessments. Pay before the same become delinquent and discharge all taxes, assessments, levies and other governmental charges imposed on it except such taxes,

assessments, levies and governmental charges which are being contested in good faith and for which such Originator has set aside on its books adequate reserves.

Section 5.13. Further Action. In addition to the foregoing:

(a) Each Originator agrees that from time to time, at its expense, it will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary in such Originator's reasonable judgment or that the Buyer may reasonably request, in order to protect the Buyer's right, title and interest in the Transferred Receivables and other Receivable Assets, or to enable the Buyer to exercise or enforce any of its rights in respect thereof. Without limiting the generality of the foregoing, each Originator will upon the request of the Buyer (i) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or, in the opinion of the Buyer, advisable to protect the Buyer's security interest in the Receivables and other Receivable Assets and (ii) obtain the agreement of any Person having an Adverse Claim on any Receivables or other Receivable Assets owned by such Originator (other than any Permitted Lien) to release such Adverse Claim upon the purchase of any such Receivables or other Receivable Assets by the Buyer.

(b) Until the termination of this Agreement, each Originator hereby irrevocably authorizes the Buyer to file one or more financing or continuation statements (and other similar instruments), and amendments thereto, relative to all or any part of the Transferred Receivables and other Receivable Assets sold or to be sold by such Originator without the signature of such Originator to the extent permitted by applicable law.

(c) If any Originator fails to perform any of its agreements or obligations under this Agreement, following notice to such Originator detailing such delinquency, the Buyer may (but shall not be required to) perform, or cause performance of, such agreements or obligations, and the expenses of the Buyer incurred in connection therewith shall be payable by such Originator as provided in Section 8.02 hereof. The Buyer agrees promptly to notify the applicable Originator after any such performance; provided, however, that the failure to give such notice shall not affect the validity of any such performance.

Section 5.14. Sale of Receivables and other Receivable Assets. Sell Receivables solely in accordance with the terms of this Agreement.

ARTICLE VI

NEGATIVE COVENANTS

Except as otherwise provided in Section 6.11 hereof, Ingram Micro and each other Originator, to the extent applicable to it, hereby agrees that, so long as there are any amounts outstanding with respect to Transferred Receivables originated by it previously transferred by such Originator to the Buyer or until an Early Termination with respect to such Originator, whichever is later, such Originator shall not, directly or indirectly:

Section 6.01. Limitations on Transfers of Receivables and other Receivable Assets. At any time sell, transfer or otherwise dispose of any of the Receivables or other Receivable Assets related thereto except as contemplated by the Related Documents.

Section 6.02. Extension or Amendment of Receivables. Extend, make any Dilution Adjustment to, rescind, cancel, amend or otherwise modify, or attempt or purport to extend, amend or otherwise modify, the terms of any Transferred Receivables, except (a) in accordance with the terms of the Credit and Collection Policy, (b) as required by any Requirement of Law applicable to such Originator or (c) in the case of Dilution Adjustments, upon making a Dilution Adjustment Payment pursuant to Section 2.05.

Section 6.03. Change in Payment Instructions to Obligors. Instruct any Obligor of any Transferred Receivables to make any payments with respect to any Receivables other than, in accordance with Section 5.09 hereof, to a Lockbox, a Lockbox Account or by wire transfer to the Collection Account; provided, however, that subject to the consent of the Lender (which consent shall not be unreasonably withheld), it may execute additional Lockbox Agreements or establish additional Lockbox Accounts and instruct Obligors to make payments in respect of any Receivables to such additional accounts; provided, further, that subject to the consent of the Lender (which consent shall not be unreasonably withheld), any Originator may enter into any amendments or modifications of a Lockbox Agreement that such Originator reasonably deems necessary to conform such Lockbox Agreement to the cash management system of the Buyer or such Originator.

Section 6.04. Change in Name. Change its name indicated on the public records of its jurisdiction of organization, use an additional name, or change the type of entity it is or its jurisdiction of organization, without 30 days' prior written notice to the Buyer and the Lender.

Section 6.05. Credit and Collection Policy. Make any change or modification (or permit any change or modification to be made) in any material respect to the Credit and Collection Policy, except (i) if such changes or modifications are necessary under any Requirement of Law, or (ii) if the Lender has consented thereto (which consent shall not be unreasonably withheld).

Section 6.06. Modification of Legend. Delete or otherwise modify the legend referred to in Section 2.01(h).

Section 6.07. Accounting for Purchases. Prepare any financial statements which shall account for the transactions contemplated hereby (other than capital contributions and the Subordinated Notes contemplated hereby) in any manner other than as a sale of the Transferred Receivables and other Receivable Assets originated by such Originator to the Buyer or in any other respect account for or treat the transactions contemplated hereby (including for financial accounting purposes, except as required by law) (other than capital contributions and the Subordinated Notes contemplated hereby) in any manner other than as sales of the Transferred Receivables and other Receivable Assets originated by such Originator to the Buyer; provided, however, that this subsection shall not apply for any tax or tax accounting purposes.

Section 6.08. Instruments. Take any action to cause any Receivable not evidenced by an "instrument" (as defined in the UCC as in effect in the State of New York or other similar statute

or legislation) upon origination to become evidenced by an instrument, except in connection with the enforcement or collection of an overdue Receivable.

Section 6.09. Ineligible Receivables. Without the prior written approval of the Buyer, take any action to cause, or which would permit, a Receivable that was designated as an Eligible Receivable on the applicable Transfer Date relating to such Receivable to cease to be an Eligible Receivable, except as otherwise expressly provided by this Agreement.

Section 6.10. Business of such Originator. Fail to maintain and operate the business currently conducted by such Originator and business activities reasonably incidental or related thereto in substantially the manner in which it is presently conducted and operated if such failure would materially adversely affect the interests of the Buyer under the Related Documents.

Section 6.11. Limitation on Fundamental Changes. Such Originator shall not enter into any merger or consolidate with another Person or sell, lease, transfer or otherwise dispose of assets constituting all or substantially all of the assets of such Originator and its consolidated Subsidiaries (taken as a whole) other than the assignments and transfers contemplated hereby to another Person or liquidate or dissolve unless:

(a) either (i) such Originator is the surviving entity or (ii) the surviving Person (A) is organized and in good standing under a State of the United States or the District of Columbia and (B) assumes, upon consummation of such transaction without execution or filing of any paper or any further act on the part of any of the parties hereto other than an Originator, the performance of each of such Originator's covenants and obligations hereunder; and

(b) it has delivered to the Lender an officer's certificate executed by a Vice President or other senior official of such Originator addressed to the Lender (i) stating that such consolidation, merger, conveyance or transfer complies with this Section 6.11 and (ii) further stating in the officer's certificate that all conditions precedent herein provided for relating to such transaction have been complied with.

## ARTICLE VII

### PURCHASE TERMINATION EVENTS

Section 7.01. Purchase Termination Events. If any of the following events (each, a "Purchase Termination Event") shall have occurred and be continuing with respect to an Originator:

(a) such Originator shall fail to pay (i) any amount due under Article II hereof in accordance with the provisions hereof and such failure shall continue unremedied for a period of five Business Days or (ii) any other amount due hereunder in accordance with the provisions hereof and such failure shall continue unremedied for a period of five Business Days from the earlier to occur of (x) the date upon which a Responsible Officer of such Originator obtains knowledge of such failure or (y) the date on which written notice of such failure, requiring the same to be remedied, shall have been given to such Originator by the Buyer or the Lender; or

(b) such Originator shall fail to observe or perform in any material respect any covenant or agreement applicable to it contained herein and such failure to observe or perform

such covenant (other than as specified in subsection (a) of this Section 7.01) shall continue unremedied for a period of 30 consecutive days from the earlier of (i) the date on which such Originator obtains actual knowledge of such failure and (ii) the date on which such Originator receives notice of such failure from the Buyer, the Servicer or the Lender; or

(c) any representation, warranty, certification or statement made or deemed made by such Originator in this Agreement or in any certificate delivered pursuant to this Agreement shall prove to have been incorrect in any material respect when made or deemed made; provided that a Purchase Termination Event shall not be deemed to have occurred under this subsection (c) based upon a breach of any representation or warranty set forth in Section 4.02 if such Originator shall have complied with the provisions of Section 2.06 in respect thereof; or

(d) (i) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of such Originator in an involuntary case under the Bankruptcy Code or any Applicable Insolvency Law now or hereafter in effect, which decree or order is not stayed or any other similar relief shall be granted under any applicable federal or state law now or hereafter in effect and shall not be stayed; (ii) (A) an involuntary case is commenced against such Originator under any Applicable Insolvency Law now or hereafter in effect, a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over such Originator, or over all or a substantial part of the property of such Originator, shall have been entered, an interim receiver, trustee or other custodian of such Originator for all or a substantial part of the property of such Originator is involuntarily appointed, a warrant of attachment, execution or similar process is issued against any substantial part of the property of such Originator and (B) any event referred to in clause (ii) (A) above continues for 60 days unless dismissed, bonded or discharged; provided, however, that such 60-day period shall be deemed terminated immediately upon the occurrence of any of the events referred to in this Section 7.01(d) other than those referred to in clause (ii) (A) above; (iii) such Originator shall at its request have a decree or an order for relief entered with respect to it or commence a voluntary case under any Applicable Insolvency Law now or hereafter in effect, or shall consent to the entry of a decree or an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such Applicable Insolvency Law, consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; (iv) the making by such Originator of any general assignment for the benefit of creditors; (v) the inability or failure of such Originator generally to pay its debts as such debts become due; or (vi) the Board of Directors of such Originator authorizes action to approve any of the foregoing; or

(e) there shall have occurred and be continuing a Termination Event set forth in Section 9.01 of the Funding Agreement; or

(f) a Responsible Officer of such Originator receives notice or is aware that a notice of Lien shall have been filed by the PBGC against such Originator under Section 412(n) of the IRC or Section 302(f) of ERISA for a failure to make a required installment or other payment to a plan to which Section 412(n) of the IRC or Section 302(f) of ERISA applies unless there shall have been delivered to the Lender proof of release of such Lien; or

(g) a Responsible Officer of such Originator receives notice or is aware that a Federal tax notice of Lien shall have been filed against such Originator unless there shall have been delivered to the Lender proof of release of such Lien;

then, (i) in the case of any Purchase Termination Event described in subsection (e) above, the obligation of the Buyer to purchase Receivables and other Receivable Assets from the Originators shall thereupon automatically terminate without further notice of any kind, which is hereby waived by each Originator, (ii) in the case of any Purchase Termination Event described in subsection (d), (f) or (g) above, the obligation of the Buyer to purchase Receivables and other Receivable Assets from the Originators shall thereupon, after expiration of any applicable cure period, automatically terminate without further notice of any kind, which is hereby waived by each Originator and (iii) in the case of any other Purchase Termination Event, so long as such Purchase Termination Event shall be continuing and after expiration of any applicable cure period, the Buyer may terminate its obligation to purchase Receivables and other Receivable Assets from all of the Originators by written notice to each Originator (any termination pursuant to clause (i), (ii) or (iii) above is herein called an "Early Termination").

Section 7.02. Remedies. (a) If a Purchase Termination Event has occurred and is continuing, the Buyer (and its assignees) shall have all of the rights and remedies provided to a secured creditor or a purchaser of accounts under the UCC by applicable law in respect thereto.

(b) Each Originator agrees that, upon the occurrence and during the continuation of a Purchase Termination Event under Section 7.01(d) or (e):

(i) the Buyer (and its assignees) shall have the right at any time to notify, or require that such Originator, at such Originator's expense, notify, the respective Obligor of the Buyer's ownership of the Transferred Receivables and may direct that payment of all amounts due or to become due under the Transferred Receivables be made directly to the Buyer or its designee;

(ii) the Buyer (and its assignees) shall have the right to (A) sue for collection on any Transferred Receivables or (B) sell any Transferred Receivables or other Receivable Assets to any Person for a price that is acceptable to the Buyer. If required by the terms of the UCC (or any other similar law applicable to the Receivables and other Receivable Assets), the Buyer (and its assignees) may offer to sell any Transferred Receivable and other Receivable Assets to any Person, together, at its option, with all other Receivables created by the same Obligor. Any Transferred Receivable and other Receivable Assets related thereto sold hereunder (other than pursuant to the Funding Agreement) shall cease to be a Receivable for all purposes under this Agreement as of the effective date of such sale;

(iii) such Originator shall, upon the Buyer's written request and at such Originator's expense, (A) assemble all of such Originator's documents, instruments and other records (including credit files and computer tapes or disks) that (1) evidence or will evidence or record Receivables and other Receivable Assets transferred by such Originator and (2) are otherwise necessary or desirable to effect Collections of such Transferred Receivables (collectively, the "Documents") and (B) deliver the Documents

to the Buyer or its designee at a place designated by the Buyer. In recognition of such Originator's need to have access to any Documents which may be transferred to the Buyer hereunder, whether as a result of its continuing business relationship with any Obligor for Receivables and other Receivable Assets purchased hereunder or as a result of its responsibilities as Servicer, the Buyer hereby grants to such Originator an irrevocable license to access the Documents transferred by such Originator to the Buyer and to access any such transferred computer software in connection with any activity arising in the ordinary course of such Originator's business or in performance of such Originator's duties as Servicer; provided that such Originator shall not disrupt or otherwise interfere with the Buyer's use of and access to the Documents and its computer software during such license period;

(iv) such Originator hereby grants to the Buyer an irrevocable power of attorney (coupled with an interest) to take any and all steps in such Originator's name necessary or desirable, in the reasonable opinion of the Buyer, to collect all amounts due under the Transferred Receivables, including, without limitation, endorsing such Originator's name on checks and other instruments representing Collections, enforcing the Transferred Receivables and other Receivable Assets and exercising all rights and remedies in respect thereof; and

(v) upon written request of the Buyer, such Originator will (A) deliver to the Buyer all licenses, rights, computer programs, related material, computer tapes, disks, cassettes and data necessary for the immediate collection of the Transferred Receivables by the Buyer, with or without the participation of such Originator (excluding software licenses which by their terms are not permitted to be so delivered; provided that such Originator shall use reasonable efforts to obtain the consent of the relevant licensor to such delivery but shall not be required, to the extent it has an ownership interest in any electronic records, computer software or licenses, to transfer, assign, set-over or otherwise convey such ownership interests to the Buyer) and (B) make such arrangements with respect to the collection of the Transferred Receivables as may be reasonably required by the Buyer.

#### ARTICLE VIII

#### MISCELLANEOUS

Section 8.01. Payments. Each cash payment to be made by the Buyer or any Originator hereunder shall be made on the required payment date and in immediately available funds at the office of the payee set forth on Schedule 8.07 hereto or to such other office as may be specified by either party in a notice to the other party hereto.

Section 8.02. Costs and Expenses. Each Originator agrees (a) to pay or reimburse the Buyer for all its out-of-pocket costs and expenses incurred in connection with the preparation and execution of, and any amendment, supplement or modification to, this Agreement, the other Related Documents and any other documents prepared in connection herewith and therewith, the consummation and administration of the transactions contemplated hereby and thereby, including, without limitation, all reasonable fees and disbursements of counsel, (b) to pay or reimburse the Buyer for all its costs and expenses incurred in connection with the enforcement or

preservation of any rights under this Agreement and any of the other Related Documents, including, without limitation, the reasonable fees and disbursements of counsel to the Buyer, (c) to pay, indemnify, and hold the Buyer harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay caused by such Originator in paying, stamp, excise and other similar taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of, any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement and any such other documents, and (d) to pay, indemnify, and hold the Buyer harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (i) which may at any time be imposed on, incurred by or asserted against the Buyer in any way relating to or arising out of this Agreement or the other Related Documents or the transactions contemplated hereby and thereby or in connection herewith or any action taken or omitted by the Buyer under or in connection with any of the foregoing (all such other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements being herein called "Indemnified Liabilities") or (ii) which would not have been imposed on, incurred by or asserted against the Buyer but for its having acquired the Receivables and other Receivable Assets hereunder; provided, however, that such indemnity shall not be available to the extent that such Indemnified Liabilities result from the gross negligence or willful misconduct of the Buyer; provided, further, that such Originator shall have no obligation under this Section 8.02 to the Buyer with respect to Indemnified Liabilities arising from (i) any action taken or omitted to be taken by the Lender or the Buyer at the direction of the Lender in collecting from an Obligor or (ii) a default by an Obligor with respect to any Transferred Receivable (other than arising out of (x) any discharge, claim, offset or defense (other than discharge in bankruptcy of the Obligor) of the Obligor to the payment of any Transferred Receivable (including, without limitation, a defense based on such Transferred Receivable not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms) or any other claim resulting from the sale of the merchandise or services related to any such Transferred Receivable or the furnishing or failure to furnish such merchandise or services, (y) a failure by such Originator to perform its duties or obligations under this Agreement or (z) the sale of any Transferred Receivable that is designated on any Borrowing Base Certificate to be an Eligible Receivable and is determined to have been at the date of such sale an Ineligible Receivable or any Transferred Receivable which thereafter becomes subject to a Dilution Adjustment). The agreements in this Section 8.02 shall survive the collection of all Receivables, the termination of this Agreement and the payment of all amounts payable hereunder.

Section 8.03. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Originators and the Buyer and their respective successors (whether by merger, consolidation or otherwise) and assigns. Each Originator agrees that it will not assign or transfer all or any portion of its rights or obligations hereunder without the prior written consent of the Buyer. acknowledges that the Buyer shall assign all of its rights hereunder to the Lender. Each Originator consents to such assignment and agrees that the Lender, to the extent provided in the Funding Agreement, shall be entitled to enforce the terms of this Agreement and the rights (including, without limitation, the right to grant or withhold any consent or, waiver) of the Buyer directly against such Originator, whether or not a Purchase Termination Event or a Potential Purchase Termination Event has occurred. Each Originator

further agrees that, in respect of its obligations hereunder, it will act at the direction of and in accordance with all requests and instructions from the Lender until all Borrower Obligations are paid in full. The Lender shall have the rights of a third-party beneficiary under this Agreement.

Section 8.04. No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Buyer, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exhaustive of any rights, remedies, powers and privileges provided by law.

Section 8.05. Amendments and Waivers. Neither this Agreement nor any terms hereof may be amended, supplemented or modified except in a writing signed by the Buyer and each Originator. Any amendment, supplement or modification shall not be effective until the Lender shall have given its written consent thereto (which consent shall not be unreasonably withheld).

Section 8.06. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 8.07. Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or three days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, all of which shall be to the address or facsimile number set forth on Schedule 8.07 hereto.

Section 8.08. Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Buyer.

Section 8.09. GOVERNING LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL.

(a) THIS AGREEMENT AND EACH RELATED DOCUMENT (EXCEPT TO THE EXTENT THAT ANY RELATED DOCUMENT EXPRESSLY PROVIDES TO THE CONTRARY) AND THE OBLIGATIONS ARISING HEREUNDER AND THEREUNDER SHALL IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAWS BUT OTHERWISE WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES), EXCEPT TO THE EXTENT THAT THE PERFECTION, EFFECT

OF PERFECTION OR PRIORITY OF THE INTERESTS OF THE BUYER IN THE RECEIVABLES OR REMEDIES HEREUNDER OR THEREUNDER, IN RESPECT THEREOF, ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK, AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

(b) EACH PARTY HERETO HEREBY CONSENTS AND AGREES THAT THE STATE OR FEDERAL COURTS LOCATED IN THE BOROUGH OF MANHATTAN IN NEW YORK CITY SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THEM PERTAINING TO THIS AGREEMENT OR TO ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY RELATED DOCUMENT; PROVIDED, THAT EACH PARTY HERETO ACKNOWLEDGES THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF THE BOROUGH OF MANHATTAN IN NEW YORK CITY; PROVIDED FURTHER, THAT NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE BUYER FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO REALIZE ON THE RECEIVABLES OR ANY OTHER SECURITY FOR THE OBLIGATIONS OF THE ORIGINATORS ARISING HEREUNDER, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF BUYER. EACH PARTY HERETO SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND EACH PARTY HERETO HEREBY WAIVES, TO THE EXTENT PERMITTED BY LAW, ANY OBJECTION THAT SUCH PARTY MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. EACH PARTY HERETO HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINT AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO SUCH PARTY AT THE ADDRESS SET FORTH IN SECTION 7.01 HEREOF AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF SUCH PARTY'S ACTUAL RECEIPT THEREOF OR THREE DAYS AFTER DEPOSIT IN THE UNITED STATES MAIL, PROPER POSTAGE PREPAID. NOTHING IN THIS SECTION SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX FINANCIAL TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, THE PARTIES HERETO WAIVE, TO THE EXTENT PERMITTED

BY LAW, ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 8.10. Addition of Originators. Subject to the conditions precedent set forth in Section 3.05, from time to time one or more additional direct or indirect Subsidiaries of Ingram Micro may become an Originator hereunder and a party hereto. If any such Subsidiary wishes to become an Originator hereunder, it shall submit a request to such effect in writing to the Buyer. If the Buyer shall have agreed to any such request, such Subsidiary shall become an additional Originator hereunder and a party hereto on the related Originator Addition Date upon satisfaction of the conditions set forth in Section 3.05.

Section 8.11. Termination of Originators. (a) Any Originator shall be terminated as an Originator hereunder by the Buyer on the date such Originator ceases to be a direct or indirect Subsidiary of Ingram Micro; provided that (i) the aggregate Outstanding Balance of Transferred Receivables sold by all Originators which so cease to be Subsidiaries at such time (together with the aggregate Outstanding Balance of Transferred Receivables sold by all Originators which have been terminated pursuant to this Section 8.11 within the preceding 90 days) shall not exceed 10% of the aggregate Outstanding Balance of all Transferred Receivables and (ii) no Purchase Termination Event or Potential Purchase Termination Event (other than with respect to the Originator so terminated) has occurred and is continuing, or would occur as a result thereof. From and after the date any such Originator ceases to be a direct or indirect Subsidiary of Ingram Micro, the Buyer shall cease buying Receivables and other Receivable Assets from such Originator. Each such Originator shall be released as an Originator party hereto for all purposes and shall cease to be a party hereto on the 91st day after the date on which there are no amounts outstanding with respect to Transferred Receivables previously transferred by such Originator to the Buyer, whether such amounts have been collected or written off in accordance with the Credit and Collection Policy, except to the extent of such Originator's continuing obligations under Section 8.11(c) below. Prior to such date, such Originator shall be obligated to perform its obligations hereunder and under the other Related Documents to which it is a party with respect to Transferred Receivables and other Receivable Assets previously sold by such Originator to the Buyer, including, without limitation, its obligation to direct the deposit of Collections into the appropriate Lockbox or Lockbox Account.

(b) From time to time the Originators, or the Servicer on behalf of the Originators, may request in writing that the Buyer designate one or more Originators as Originators that shall cease to be parties to this Agreement; provided that no Purchase Termination Event or Potential Purchase Termination Event has occurred and is continuing, or would occur as a result thereof. Promptly after receipt of any such designation by the Buyer, the Originators shall either (i) elect not to terminate such designated Originators or (ii) select a date, which date shall not be later than 30 days after the date of receipt of such designation, as the "Sale Termination Date" for such designated Originators. From and after such Sale Termination Date, the Buyer shall cease buying Receivables and other Receivable Assets from such Originators. Each such Originator shall be released as an Originator hereunder and a party hereto for all purposes and shall cease to

be a party hereto on the 91st day after the date on which there are no amounts outstanding with respect to Transferred Receivables and other Receivable Assets previously transferred by such Originator to the Buyer, whether such amounts have been collected or written off in accordance with the Credit and Collection Policy, except to the extent of such Originator's continuing obligations under Section 8.11(c) below. Prior to such date, such Originator shall be obligated to perform its obligations hereunder and under the other Related Documents to which it is a party with respect to Transferred Receivables and other Receivable Assets previously sold by such Originator to the Buyer, including, without limitation, its obligation to direct the deposit of Collections into the appropriate Lockbox or Lockbox Account.

(c) A terminated Originator shall have no obligation to repurchase any Transferred Receivables and other Receivable Assets previously sold by it to the Buyer on and after the 90th day following the date on which there are no amounts outstanding with respect to such Transferred Receivables, but will have continuing obligations with respect to such Transferred Receivables and other Receivable Assets (including making any Dilution Adjustment Payments, Originator Adjustment Payments and Originator Indemnification Payments and with respect to any Indemnified Liabilities) to the extent such obligations arise hereunder.

Section 8.12. No Bankruptcy Petition. Each Originator, by entering into this Agreement, and any present or future holder of each Subordinated Note, by its acceptance thereof, covenants and agrees that, prior to the date which is one year and one day after the date of termination of this Agreement pursuant to Section 8.13, it will not institute against, or join any other Person in instituting against, the Buyer any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any Applicable Insolvency Laws.

Section 8.13. Termination. This Agreement will terminate at such time as (i) the commitment of the Buyer to purchase Receivables and other Receivable Assets from all the Originators hereunder shall have terminated, (ii) all Receivables purchased hereunder have been collected, and the proceeds thereof turned over to the Buyer and all other amounts owing to the Buyer hereunder shall have been paid in full or, if Receivables sold hereunder have not been collected, such Receivables have become Defaulted Receivables and the Buyer shall have completed its collection efforts in respect thereto and (iii) the Termination Date shall have occurred; provided, however, that the indemnities of the Originators to the Buyer set forth in this Agreement shall survive such termination; provided, further, that, to the extent any amounts remain due and owing to the Buyer hereunder, the Buyer shall remain entitled to receive any Collections on Receivables sold hereunder which have become Defaulted Receivables after it shall have completed its collection efforts in respect thereof. Notwithstanding anything to the contrary contained herein, if at any time any payment made by any Originator is rescinded or must be restored or returned by the Buyer as a result of any Insolvency Event with respect to such Originator, then such Originator's obligations with respect to such payment shall be reinstated as though such payment had never been made.

Section 8.14. Complete Agreement; Modification of Agreement. This Agreement and the other Related Documents constitute the complete agreement between the parties with respect to the subject matter hereof and thereof, supersede all prior agreements and understandings relating to the subject matter hereof and thereof, and may not be modified, altered or amended except as set forth in Section 8.05.

Section 8.15. Section Titles. The section titles and table of contents contained in this Agreement are provided for ease of reference only and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

Section 8.16. No Setoff. Each Originator's obligations under this Agreement shall not be affected by any right of setoff, counterclaim, recoupment, defense or other right such Originator might have against Buyer or the Lender, all of which rights are hereby expressly waived by such Originator for the term of this Agreement.

Section 8.17. Confidentiality.

(a) Except to the extent otherwise required by applicable law or regulation or subpoena or similar legal process, or in connection with any judicial or administrative proceedings, as required to be filed publicly with the Securities and Exchange Commission, or unless the Lender shall otherwise consent in writing, each Originator and Buyer agree to maintain the confidentiality of this Agreement (and all drafts hereof and documents ancillary hereto) in its communications with third parties other than any Affected Party and otherwise and

not to disclose, deliver or otherwise make available to any third party (other than its directors, officers, employees, accountants or counsel or ratings agencies or credit insurance providers) the original or any copy of all or any part of this Agreement (or any draft hereof and documents ancillary hereto) except to an Affected Party.

(b) Each Originator agrees that it shall not (and shall not permit any of its Subsidiaries to) issue any news release or make any public announcement pertaining to the transactions contemplated by this Agreement and the Related Documents without the prior written consent of Buyer and the Lender (which consent shall not be unreasonably withheld) unless such news release or public announcement is required by law or regulation or subpoena or similar legal process, in which case such Originator shall consult with Buyer and the Lender prior to the issuance of such news release or public announcement. Any Originator may, however, disclose the general terms of the transactions contemplated by this Agreement and the Related Documents to trade creditors, suppliers and other similarly-situated Persons so long as such disclosure is not in the form of a news release or public announcement.

(c) Except to the extent otherwise required by applicable law, or in connection with any judicial or administrative proceedings, as required to be filed publicly with the Securities Exchange Commission, or unless the Originators otherwise consent in writing, the Buyer agrees (i) to maintain the confidentiality of (A) this Agreement (and all drafts hereof and documents ancillary hereto) and (B) all other confidential proprietary information with respect to the Originators and their respective Affiliates and each of their respective businesses obtained by the Buyer in connection with the structuring, negotiation and execution of the transactions contemplated herein and in the other documents ancillary hereto, in each case, in its communications with third parties other than any Affected Party, any Originator or any party to whom information may be disclosed pursuant to Section 14.05 of the Funding Agreement, and (ii) not to disclose, deliver, or otherwise make available to any third party (other than its directors, officers, employees, accountants or counsel) the original or any copy of all or any part of this Agreement (or any draft hereof and documents ancillary hereto) except to an Affected Party or any Originator.

#### Section 8.18. Further Assurances.

(a) Each Originator shall, at its sole cost and expense, upon the reasonable request of Buyer or the Lender, promptly and duly execute and deliver any and all further instruments and documents and take such further actions that may be necessary or desirable or that Buyer or the Lender may reasonably request to carry out more effectively the provisions and purposes of this Agreement or any other Related Document or to obtain the full benefits of this Agreement and of the rights and powers herein granted, including (i) using its best efforts to secure all consents and approvals necessary or appropriate for the assignment to or for the benefit of Buyer of any Transferred Receivable and other Receivable Assets held by such Originator or in which such Originator has any rights not heretofore assigned, and (ii) filing any financing or continuation statements under the UCC with respect to the ownership interests or Liens granted hereunder or under any other Related Document. Each Originator hereby authorizes Buyer and the Lender to file any such financing or continuation statements without the signature of such Originator to the extent permitted by applicable law. A carbon, photographic or other reproduction of this Agreement or of any notice or financing statement covering the Transferred Receivables and

other Receivable Assets or any part thereof shall be sufficient as a notice or financing statement where permitted by law. If any amount payable under or in connection with any of the Transferred Receivables is or shall become evidenced by any instrument, such instrument, other than checks and notes received in the ordinary course of business, shall be duly endorsed in a manner satisfactory to Buyer immediately upon such Originator's receipt thereof and promptly delivered to Buyer.

If any Originator fails to perform any agreement or obligation under this Section 8.18, Buyer or the Lender may (but shall not be required to) itself perform, or cause performance of, such agreement or obligation, and the reasonable expenses of Buyer or the Lender incurred in connection therewith shall be payable by such Originator upon demand of Buyer or the Lender.

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IN WITNESS WHEREOF, the parties have caused this Receivables Sale Agreement to be executed by their respective duly authorized representatives, as of the date first above written.

INGRAM MICRO INC., individually and as an Originator

By /s/ P. Kurt Preising

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Name P. Kurt Preising  
Title Senior Director and Worldwide  
Assistant Treasurer

INGRAM FUNDING INC., as Buyer

By /s/ Kay Leyba

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Name Kay Leyba  
Title Assistant Treasurer

**Certification by Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Kent B. Foster, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ingram Micro Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2004

/s/ Kent B. Foster

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Name: Kent B. Foster  
 Title: Chairman and Chief Executive Officer  
 (Principal Executive Officer)

**Certification by Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Thomas A. Madden, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ingram Micro Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2004

/s/ Thomas A. Madden

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Name: Thomas A. Madden  
 Title: Executive Vice President and Chief Financial Officer  
 (Principal Financial Officer)

**Certification by Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

The certification below is being submitted to the Securities and Exchange Commission solely for the purpose of complying with Section 1350 of Chapter 63 of Title 18 of the United States Code.

In my capacity as chief executive officer of Ingram Micro Inc., I hereby certify that, to the best of my knowledge, Ingram Micro Inc.'s quarterly report on Form 10-Q for the fiscal period ended July 3, 2004 as filed with the Securities and Exchange Commission on the date hereof fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Ingram Micro Inc.

/s/      Kent B. Foster

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Name:    Kent B. Foster

Title:    Chairman and Chief Executive Officer

Dated: August 12, 2004

**Certification by Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

The certification below is being submitted to the Securities and Exchange Commission solely for the purpose of complying with Section 1350 of Chapter 63 of Title 18 of the United States Code.

In my capacity as chief financial officer of Ingram Micro Inc., I hereby certify that, to the best of my knowledge, Ingram Micro Inc.'s quarterly report on Form 10-Q for the fiscal period ended July 3, 2004 as filed with the Securities and Exchange Commission on the date hereof fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Ingram Micro Inc.

/s/      Thomas A. Madden

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Name: Thomas A. Madden

Title: Executive Vice President and Chief Financial Officer

Dated: August 12, 2004