AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON OCTOBER 25, 1996

REGISTRATION NO. 333-08453

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 3 TO

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

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

DELAWARE	5045	62-1644402
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

1600 E. ST. ANDREW PLACE
SANTA ANA, CA 92705
(714) 566-1000

(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

JAMES E. ANDERSON, JR., ESQ.
SENIOR VICE PRESIDENT AND GENERAL COUNSEL
INGRAM MICRO INC.
1600 E. ST. ANDREW PLACE
SANTA ANA, CA 92705
(714) 566-1000

(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES TO:

WINTHROP B. CONRAD, JR., ESQ.	LARRY W. SONSINI, ESQ.
DAVIS POLK & WARDWELL	WILSON SONSINI GOODRICH & ROSATI
450 LEXINGTON AVENUE	650 PAGE MILL ROAD
NEW YORK, NEW YORK 10017	PALO ALTO, CALIFORNIA 94304
(212) 450-4000	(415) 493-9300

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE OF THE SECURITIES TO THE PUBLIC:
As soon as practicable after the Registration Statement becomes effective.

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

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

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

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

CALCULATION OF REGISTRATION FEE

TITLE OF SECURITIES TO BE REGISTERED	NUMBER OF SHARES TO BE REGISTERED(1)	PROPOSED MAXIMUM OFFERING PRICE PER SHARE(2)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(2)	AMOUNT OF REGISTRATION FEE(3)
Class A Common Stock, par value $0.01 per share.....	23,200,000	$16.00	$371,200,000	$112,139

(1) Includes 3,000,000 shares that are being registered in connection with an over-allotment option granted to the U.S. Underwriters.

(2) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457.

(3) Of such amount, $111,035 has been previously paid.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

EXPLANATORY NOTE

This Registration Statement contains three forms of prospectus. Two forms of prospectus will be used by the Underwriters in connection with offerings of Common Stock: (i) one to be used in connection with an offering by the U.S. Underwriters in the United States and Canada (the "U.S. Prospectus") and (ii) the other to be used in connection with a concurrent offering by the International Underwriters outside of the United States and Canada (the "International Prospectus"). The U.S. Prospectus and the International Prospectus are identical in all respects except for the front cover page of the International Prospectus, which is included herein after the final page of the U.S. Prospectus and is labeled "Alternate Page for International Prospectus." The third form of prospectus (the "Company Prospectus") will be used in connection with an offering of 200,000 shares of Common Stock directly by the Company to Mr. Jerre L. Stead, the Company's Chief Executive Officer and Chairman of the Board of Directors. The Company Prospectus is identical in all respects to the U.S. Prospectus except for (i) the front cover page of the Company Prospectus, which is included herein after the front cover page of the International Prospectus and is labeled "Alternate Page for Company Prospectus," and (ii) the fact that the information in "Underwriters" is not applicable to purchases pursuant to the Company Prospectus. Final forms of each of the Prospectuses will be filed with the Securities and Exchange Commission under Rule 424(b).

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

PROSPECTUS (Subject to Completion)

Issued October 25, 1996

20,000,000 Shares

LOGO

CLASS A COMMON STOCK

OF THE 20,000,000 SHARES OF CLASS A COMMON STOCK (THE "COMMON STOCK") OFFERED HEREBY, 16,000,000 SHARES ARE BEING OFFERED INITIALLY IN THE UNITED STATES AND CANADA BY THE U.S. UNDERWRITERS, AND 4,000,000 SHARES ARE BEING OFFERED INITIALLY OUTSIDE THE UNITED STATES AND CANADA BY THE INTERNATIONAL UNDERWRITERS. SEE "UNDERWRITERS." UP TO 2,250,000 OF THE SHARES OF COMMON STOCK OFFERED HEREBY ARE BEING RESERVED FOR SALE TO CERTAIN INDIVIDUALS AND INGRAM INDUSTRIES INC. SEE "EMPLOYEE AND PRIORITY OFFERS." ALL SUCH SHARES ARE BEING OFFERED ON THE SAME TERMS AND CONDITIONS AS THE SHARES BEING OFFERED TO THE PUBLIC GENERALLY, AND ANY PURCHASERS OF SUCH SHARES WHO ARE AFFILIATES OF THE COMPANY WILL REPRESENT THAT ANY PURCHASES ARE BEING MADE FOR INVESTMENT PURPOSES ONLY. ALL OF THE SHARES OF COMMON STOCK OFFERED HEREBY ARE BEING ISSUED AND SOLD BY THE COMPANY. PRIOR TO THIS OFFERING, THERE HAS BEEN NO PUBLIC MARKET FOR THE COMMON STOCK OF THE COMPANY. IT IS CURRENTLY ESTIMATED THAT THE INITIAL PUBLIC OFFERING PRICE WILL BE BETWEEN $14 AND $16 PER SHARE. SEE "UNDERWRITERS" FOR A DISCUSSION OF THE FACTORS TO BE CONSIDERED IN DETERMINING THE INITIAL PUBLIC OFFERING PRICE. THE COMPANY HAS TWO CLASSES OF AUTHORIZED COMMON STOCK, THE COMMON STOCK OFFERED HEREBY AND THE CLASS B COMMON STOCK (THE "CLASS B COMMON STOCK," AND COLLECTIVELY WITH THE COMMON STOCK, THE "COMMON EQUITY"). THE RIGHTS OF HOLDERS OF COMMON STOCK AND CLASS B COMMON STOCK ARE IDENTICAL EXCEPT FOR VOTING AND CONVERSION RIGHTS AND RESTRICTIONS ON TRANSFERABILITY. HOLDERS OF THE COMMON STOCK ARE ENTITLED TO ONE VOTE PER SHARE, AND HOLDERS OF THE CLASS B COMMON STOCK ARE ENTITLED TO TEN VOTES PER SHARE ON MOST MATTERS SUBJECT TO STOCKHOLDER VOTE. UPON THE CLOSING OF THIS OFFERING, THE INGRAM FAMILY STOCKHOLDERS (AS DEFINED HEREIN) WILL HAVE APPROXIMATELY 80.7% OF THE COMBINED VOTING POWER OF THE COMMON EQUITY (80.5% IF THE U.S. UNDERWRITERS EXERCISE THEIR OVER-ALLOTMENT OPTION IN FULL). THE COMMON STOCK HAS BEEN APPROVED FOR LISTING, SUBJECT TO OFFICIAL NOTICE OF ISSUANCE, ON THE NEW YORK STOCK EXCHANGE UNDER THE SYMBOL "IM."

SEE "RISK FACTORS" BEGINNING ON PAGE 5 FOR A DISCUSSION OF CERTAIN RISKS ASSOCIATED WITH THIS OFFERING.

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

PRICE $ A SHARE

	PRICE TO PUBLIC	UNDERWRITING DISCOUNTS AND COMMISSIONS(1)	PROCEEDS TO COMPANY(2)
Per Share	$	$	$
Total(3)	$	$	$

- ---

(1) The Company has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

(2) Before deducting expenses payable by the Company estimated at $1,400,000.

(3) The Company has granted to the U.S. Underwriters an option, exercisable within 30 days of the date hereof, to purchase up to an aggregate of 3,000,000 additional Shares at the price to public less underwriting discounts and commissions, for the purpose of covering over-allotments, if any. If the U.S. Underwriters exercise such option in full, the total price to public, underwriting discounts and commissions, and proceeds to Company will be $, $ and $, respectively. See "Underwriters."

The Shares are offered, subject to prior sale, when, as and if accepted by the Underwriters named herein and subject to approval of certain legal matters by Wilson Sonsini Goodrich & Rosati, counsel for the Underwriters. It is expected that delivery of the Shares will be made on or about , 1996 at the office of Morgan Stanley & Co. Incorporated, New York, New York, against payment therefor in immediately available funds.

MORGAN STANLEY & CO.
Incorporated
THE ROBINSON-HUMPHREY COMPANY, INC.

ALEX. BROWN & SONS
INCORPORATED
HAMBRECHT & QUIST

J.C. BRADFORD & CO.

, 1996

INGRAM

MICRO
LOGO

LEADING THE WAY IN WORLDWIDE DISTRIBUTION(TM)

SUPPLYING OVER 36,000 PRODUCTS
FROM 1,100 VENDORS WORLDWIDE

[LOGOS OF VARIOUS VENDORS]

PCS, PERIPHERALS, WORKSTATIONS

[LOGOS OF VARIOUS VENDORS]

SOFTWARE

[LOGOS OF VARIOUS VENDORS]

NETWORKING

WORLDWIDE PRESENCE

CUSTOMERS IN 120 COUNTRIES

[FACILITIES MAP]

SUPERIOR EXECUTION AND
VALUE-ADDED SERVICES

LOGISTICS
- Warehousing
- Order Fulfillment
- Product Tracking
- Bullet-Proof Shipping
- Configuration
- Labeling
- Returns
- Forecasting

BANKING
- Credit
- Financing Programs

COST-EFFICIENT
SALES & SERVICES
- Telesales
- Field Sales
- Customer Service
- Marketing

PRODUCT KNOWLEDGE

- Cross-Platform
  Technical Support
- Technical Training

- Customer Information
  Systems

OVER 100,000 RESELLER
CUSTOMERS IN 3 MARKET SECTORS

- Commercial
  - Corporate Resellers
  - Dealer Affiliates
  - Direct Marketers

- VAR
  - Systems Integrators
  - Application VARs
  - OEMs
  - Government/Education Resellers

- Consumer
  - Computer Superstores
  - Office Product Superstores
  - Mass Merchants
  - Consumer Electronics Stores
  - Warehouse Clubs

IMPULSE

WORLD CLASS
INFORMATION SYSTEMS

COMPETITIVE ADVANTAGE
THROUGH REAL-TIME
WORLDWIDE INFORMATION
ACCESS AND PROCESSING

- - 12 million on-line transactions per day
- - 26,000 orders per day
- - 37,000 shipments per day

[GLOBE]

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

UNTIL , 1996 (25 DAYS AFTER COMMENCEMENT OF THIS OFFERING), ALL DEALERS EFFECTING TRANSACTIONS IN THE COMMON STOCK, WHETHER OR NOT PARTICIPATING IN THIS DISTRIBUTION, MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS DELIVERY REQUIREMENT IS IN ADDITION TO THE OBLIGATION OF DEALERS TO DELIVER A PROSPECTUS WHEN ACTING AS UNDERWRITERS AND WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.

For investors outside the United States: No action has been or will be taken in any jurisdiction by the Company or by any Underwriter that would permit a public offering of the Common Stock or possession or distribution of this Prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons into whose possession this Prospectus comes are required by the Company and the Underwriters to inform themselves about and to observe any restrictions as to the offering of the Common Stock and the distribution of this Prospectus.

TABLE OF CONTENTS

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

Ingram Micro and the Ingram Micro logo are registered trademarks of the Company. Ingram Alliance, IMpulse, "Leading the Way in Worldwide Distribution," and "Partnership America" are trademarks of the Company. All other trademarks or tradenames referred to in this Prospectus are the property of their respective owners.

Unless the context otherwise requires, the "Company" or "Ingram Micro" refers to Ingram Micro Inc., a Delaware corporation, and its consolidated subsidiaries. In addition, unless otherwise indicated, all information in this Prospectus assumes (i) the occurrence of the Split-Off (as defined herein) immediately prior to the closing of this offering, (ii) the purchase of 200,000

shares in the Company Offering (as defined herein), and (iii) no exercise of the U.S. Underwriters' over-allotment option. See "Underwriters." The fiscal year of the Company is a 52- or 53-week period ending on the Saturday nearest to December 31. Unless the context otherwise requires, references in this Prospectus to "1991," "1992," "1993," "1994," and "1995" represent the fiscal years ended December 28, 1991 (52 weeks), January 2, 1993 (53 weeks), January 1, 1994 (52 weeks), December 31, 1994 (52 weeks), and December 30, 1995 (52 weeks), respectively. The Company's next 53-week fiscal year will be fiscal year 1997.

PROSPECTUS SUMMARY

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

THE COMPANY

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

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

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

The Company is currently a subsidiary of Ingram Industries Inc. ("Ingram Industries"). Immediately prior to the closing of this offering, Ingram Industries will consummate the Split-Off (as defined herein), and all information in this Prospectus assumes the occurrence of the Split-Off at such time. See "The Company" and "The Split-Off and the Reorganization." The consummation of the Split-Off is a non-waiveable condition to the closing of this offering.

THE OFFERING

Common Stock offered(1):	
U.S. Offering	16,000,000 Shares
International Offering	4,000,000 Shares
Company Offering(2)	200,000 Shares
Total	20,200,000 Shares
Common Equity to be outstanding after this offering(1)(3):	
Common Stock	20,200,000 Shares
Class B Common Stock(4)	109,813,762 Shares
Total	130,013,762 Shares
Voting rights:	
Common Stock	One vote per share
Class B Common Stock	Ten votes per share
Use of proceeds	To repay certain outstanding indebtedness. See "Use of Proceeds."
NYSE Symbol	IM

SUMMARY CONSOLIDATED FINANCIAL DATA
(IN MILLIONS, EXCEPT PER SHARE DATA)

	FISCAL YEAR					THIRTY-NINE WEEKS ENDED	
	1991	1992	1993	1994	1995	SEPTEMBER 30, 1995	SEPTEMBER 28, 1996
INCOME STATEMENT DATA:							
Net sales	$2,016.6	$2,731.3	$4,044.2	$5,830.2	$8,616.9	$ 6,070.7	$ 8,474.7
Gross profit	185.4	227.6	329.6	439.0	605.7	422.5	574.5
Income from operations	67.6	68.9	103.0	140.3	186.9	123.9	175.9(5)
Net income(6)	30.2	31.0	50.4	63.3	84.3	56.3	77.6(5)
Earnings per share	0.25	0.26	0.42	0.53	0.70	0.47	0.64(5)
Weighted average common shares outstanding(7)	120.6	120.6	120.6	120.6	120.6	120.6	120.9

	SEPTEMBER 28, 1996		
	ACTUAL	AS ADJUSTED(8)	AS FURTHER ADJUSTED(8)(9)
BALANCE SHEET DATA:			
Working capital	$ 828.1	$ 668.1	$ 657.3
Total assets	2,843.7	2,706.3	2,706.3
Total debt(10)	625.0	487.6	202.5
Stockholders' equity	366.0	366.0	640.3

- ---

(1) Assumes no exercise of the U.S. Underwriters' over-allotment option.

(2) The Company is offering 200,000 shares of Common Stock to its Chief Executive Officer, Jerre L. Stead, at the initial public offering price set forth on the cover page of this Prospectus (the "Company Offering"). Such shares would be purchased directly from the Company, with no underwriting discounts or commission payable thereon. As used herein, the term "Combined Offering" includes both the Company Offering and the underwritten initial public offering. See "Management -- Employment Agreements" and "Employee and Priority Offers -- Employee Directed Offer."

(3) See "Principal Stockholders." Excludes approximately 21,000,000 shares of Common Equity issuable in connection with outstanding stock options. See "Management -- 1996 Plan -- Options" and "-- Rollover Plan; Incentive Stock Units."

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

(5) Reflects a non-cash compensation charge of $8.9 million ($5.4 million, or

$0.04 per share, net of tax) in connection with the granting of the Rollover Stock Options (as defined herein). See "The Split-Off and the Reorganization -- The Split-Off" and Note 11 of Notes to Consolidated Financial Statements.

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

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

(8) As adjusted to reflect (i) the assumption by the Company of the accounts receivable securitization program of Ingram Industries in partial satisfaction of amounts due to Ingram Industries (resulting in a $160.0 million decrease in each of working capital and total debt) and (ii) approximately $22.6 million of indebtedness to be incurred by the Company in connection with the acquisition of certain facilities currently utilized by the Company, as if such transactions had occurred on September 28, 1996. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources" and "Certain Transactions."

(9) As further adjusted to give effect to the issuance of the Common Stock offered by the Company in the Combined Offering, the repayment of certain indebtedness with the estimated net proceeds therefrom, and the estimated additional $10.8 million non-cash compensation charge related to certain Rollover Stock Options (as defined herein). See "Use of Proceeds," "Capitalization," and "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Overview."

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

RISK FACTORS

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

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

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

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

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

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

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

Capital Intensive Nature of Business; High Degree of Leverage. The Company's business requires significant levels of capital to finance accounts receivable and product inventory that is not financed by trade creditors. The Company is highly leveraged and has relied heavily on debt financing for its increasing working capital needs in connection with the expansion of its business. At December 30, 1995 and September 28, 1996, the Company's total debt was $850.5 million and $625.0 million, respectively, and represented 73.6% and 63.0%, respectively, of the Company's total capitalization. Pro forma for the Combined Offering, the application of the estimated net proceeds therefrom, and the incurrence of approximately $22.6 million of indebtedness in connection with the acquisition of certain facilities currently utilized by the Company, as of September 28, 1996, the Company's total debt would have been $202.5 million and would have represented 24.0% of the Company's total capitalization ($160.0 million and 19.0% assuming the U.S. Underwriters' over-allotment option is exercised in full). See "Use of Proceeds," "Capitalization," and "Management's Discussion and Analysis of Financial Condition and Results of Operations." In order to continue its expansion, the Company will need additional financing, including debt financing, which may or may not be available on terms acceptable to the Company, or at all. While a portion of the Company's historical financing needs has been satisfied through internally generated funds and trade creditors, a substantial amount has come from intercompany borrowings under debt facilities and an accounts receivable securitization facility maintained by Ingram Industries. No assurance can be given that the Company will continue to be able to borrow in adequate amounts for these or other purposes on terms acceptable to the Company, and the failure to do so could have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company has a commitment from NationsBank of Texas N.A. and The Bank of Nova Scotia providing for a $1 billion credit facility (the "Credit Facility") with a syndicate of lenders, for whom such banks will act as Agents, and the Company expects to enter into a formal agreement prior to the closing of this offering. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources." Concurrently with the Split-Off, the Company intends to use borrowings under the Credit Facility to repay (i) intercompany indebtedness in partial satisfaction of amounts due to Ingram Industries (the Company is assuming Ingram Industries' accounts receivable securitization program in satisfaction of the remaining amounts due to Ingram Industries) and (ii) outstanding revolving indebtedness related to amounts drawn by certain of the Company's subsidiaries, as participants in Ingram Industries'

existing unsecured credit facility, which will terminate concurrently with the closing of this offering. The net proceeds from the Combined Offering will be used to repay a portion of the borrowings under the Credit Facility. See "Use of Proceeds." The Company's ability in the future to satisfy its debt obligations will be dependent upon its future performance, which is subject to prevailing economic conditions and financial, business, and other factors, including factors beyond the Company's control. See "-- Fluctuations in Quarterly Results," "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources," "Certain Transactions," and "The Split-Off and the Reorganization -- The Reorganization."

Management of Growth. The rapid growth of the Company's business has required the Company to make significant recent additions in personnel and has significantly increased the Company's working capital requirements. Although the Company has experienced significant sales growth in recent years, such growth should not be considered indicative of future sales growth. Such growth has resulted in new and increased responsibilities for management personnel and has placed and continues to place a significant strain upon the Company's management, operating and financial systems, and other resources. There can be no assurance that the strain placed upon the Company's management, operating and financial systems, and other resources will not have a material adverse effect on the Company's business, financial condition, and results of operations, nor can there be any assurance that the Company will be able to attract or retain sufficient personnel to continue the expansion of its operations. Also crucial to the Company's success in managing its growth will be its ability to achieve additional economies of scale. There can be no assurance that the Company will be able to achieve such economies of scale, and the failure to do so could have a material adverse effect on the Company's business, financial condition, and results of operations.

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

Dependence on Information Systems. The Company depends on a variety of information systems for its operations, particularly its centralized IMpulse information processing system which supports more than 40 operational functions including inventory management, order processing, shipping, receiving, and accounting. At the core of IMpulse is on-line, real-time distribution software which supports basic order entry and processing and customers' shipments and returns. The Company's information systems require the services of over 350 of the Company's associates with extensive knowledge of the Company's information systems and the business environment in which the Company operates. Although the Company has not in the past experienced significant failures or downtime of IMpulse or any of its other information systems, any such failure or significant downtime could prevent the Company from taking customer orders, printing product pick-lists, and/or shipping product and could prevent customers from accessing price and product availability information from the Company. In such event, the Company could be at a severe disadvantage in determining appropriate product pricing or the adequacy of inventory levels or in reacting to rapidly changing market conditions, such as a currency devaluation. A failure of the Company's information systems which impacts any of these functions could have a material adverse effect on the Company's business, financial condition, or results of operations. In addition, the inability of the Company to attract and retain the highly skilled personnel required to implement, maintain, and operate IMpulse and the Company's other information systems could have a material adverse effect on the Company's business, financial condition, or results of operations. In order to react to changing market conditions, the Company must continuously expand and

improve IMpulse and its other information systems. From time to time the Company may acquire other businesses having information systems and records which must be converted and integrated into IMpulse or other Company information systems. This can be a lengthy and expensive process that results in a significant diversion of resources from other operations. The inability of the Company to convert the information systems of any acquired businesses to the Company's information systems and to train its information systems personnel in a timely manner and on a cost-effective basis could materially adversely affect the Company's business, financial condition, or results of operations. There can be no assurance that the Company's information systems will not fail, that the Company will be able to attract and retain qualified personnel necessary for the operation of such systems, that the Company will be able to expand and improve its information systems, or that the information systems of acquired companies will be successfully converted and integrated into the Company's information systems on a timely and cost-effective basis. See "Business -- Information Systems."

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

The Company's international operations are subject to other risks such as the imposition of governmental controls, export license requirements, restrictions on the export of certain technology, political instability, trade restrictions, tariff changes, difficulties in staffing and managing international operations, difficulties in collecting accounts receivable and longer collection periods, and the impact of local economic conditions and practices. As the Company continues to expand its international business, its success will be dependent, in part, on its ability to anticipate and effectively manage these and other risks. There can be no assurance that these and other factors will not have a material adverse effect on the Company's international operations or its business, financial condition, and results of operations as a whole.

Dependence on Key Individuals. The Company is dependent in large part on its ability to retain the services of its executive officers, especially Messrs. Jerre L. Stead (Chief Executive Officer and Chairman of the Board of Directors), Jeffrey R. Rodek (Worldwide President and Chief Operating Officer), and David R. Dukes (Vice Chairman of Ingram Micro and Chief Executive Officer of Ingram Alliance). The loss of any of the Company's executive officers could have a material adverse effect on the Company. The Company does not have employment agreements with most of its executive officers, although it does have agreements, primarily relating to severance arrangements, with certain of the Named Executive Officers (as defined herein). See "Management -- Employment Agreements." Several of the Company's executive officers currently perform functions for both the Company and Ingram Industries, including Michael J. Grainger, the Company's Executive Vice President and Worldwide Chief Financial Officer, and James E. Anderson, Jr., the

Company's Senior Vice President, Secretary, and General Counsel. Concurrently with the Split-Off, each of Messrs. Grainger and Anderson will resign from Ingram Industries. See "Management -- Executive Officers and Directors." The Company's continued success is also dependent upon its ability to retain and attract other qualified employees to meet the Company's needs. See "Business -- Employees."

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

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

Although Ingram Micro regularly stocks products and accessories supplied by over 1,100 suppliers, approximately 36.5%, 41.4%, 53.2%, and 55.2% of the Company's net sales in 1993, 1994, 1995, and the first three quarters of 1996, respectively, were derived from products provided by its ten largest suppliers. In 1995, 32.9% of the Company's net sales were derived from sales of products from Microsoft (12.7%), Compaq Computer (10.7%), and Hewlett-Packard (9.5%). In the first three quarters of 1996, 33.2% of the Company's net sales were derived from sales of products from Compaq Computer (13.7%), Microsoft (10.4%), and Hewlett-Packard (9.1%). Certain of the Company's non-U.S. operations are even more dependent on a limited number of suppliers. In addition, many services that the Company provides to its reseller customers, such as financing and technical training, are dependent on supplier support. The loss of a major supplier, the deterioration of the Company's relationship with a major supplier, the loss or deterioration of supplier support for certain Company-provided services, the decline in demand for a particular supplier's product, or the failure of the Company to establish good relationships with major new suppliers could have a material adverse effect on the Company's business, financial condition, or results of operations. Such a loss, deterioration, decline, or failure could also have a material adverse effect on the sales by the Company of products provided by other suppliers.

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

Risks Associated with Ingram Alliance. Ingram Micro entered the master reseller (also known as "aggregation") business in late 1994 through the launch of Ingram Alliance. Ingram Alliance is designed to

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

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

Although the Company's wholesale distribution division sells Hewlett-Packard products, Ingram Alliance does not currently have authorization to sell Hewlett-Packard products in the master reseller market. Because of Hewlett-Packard's position as a major supplier of microcomputer hardware products, the Company believes that sales of Hewlett-Packard products likely account for a substantial portion of sales at Ingram Alliance's major competitors in the master reseller business. The inability to offer Hewlett-Packard products places Ingram Alliance at a competitive disadvantage to its competitors because it is unable to provide a full range of products to its customers. The continued inability of Ingram Alliance to receive authorization to sell Hewlett-Packard products could have a material adverse effect on Ingram Alliance's business, financial condition, or results of operations. See "Business -- Ingram Alliance."

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

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

Risk of Declines in Inventory Value. The Company's business, like that of other wholesale distributors, is subject to the risk that the value of its inventory will be adversely affected by price reductions by suppliers or by technological changes affecting the usefulness or desirability of the products comprising the inventory. It is the policy of most suppliers of microcomputer products to protect distributors such as the Company, who purchase directly from such suppliers, from the loss in value of inventory due to technological change or the supplier's price reductions. Under the terms of many distribution agreements, suppliers will credit the distributor for inventory losses resulting from the supplier's price reductions if the distributor complies with certain conditions. In addition, under many such agreements, the distributor has the right to return for credit or exchange for other products a portion of the inventory items purchased, within a designated period of time. A supplier who elects to terminate a distribution agreement generally will repurchase from the distributor the supplier's products carried in the distributor's inventory. The industry practices discussed above are sometimes not embodied in written agreements and do not protect the Company in all cases from declines in inventory value. No assurance can be given that such practices will continue, that unforeseen new product developments will not materially adversely affect the Company, or that the Company will be able to successfully manage its existing and future inventories. The Company's risk of declines in inventory value could be greater outside the United States where agreements with suppliers are more restrictive with regard to price protection and the Company's ability to return unsold inventory. The Company establishes reserves for estimated losses due to obsolete inventory in the normal course of business. Historically, the Company has not experienced losses due to obsolete inventory materially in excess of established inventory reserves. However, significant declines in inventory value in excess of established inventory reserves could materially adversely affect the Company's business, financial condition, or results of operations.

The Company sometimes purchases from suppliers, usually at significant discounts, quantities of products that are nearing the end of their product life cycle. In addition, the Company's purchasing staff also seeks opportunities to purchase quantities of products from suppliers at discounts larger than those usually available. When the Company negotiates these purchases, it seeks to secure favorable terms for the return to suppliers of products unwanted by resellers and end-users. Because some of these purchase agreements contain terms providing for a 60-day time limit on returns to suppliers, end-user or reseller delays in returning the product to the Company may make it difficult for the Company to meet the deadline for returns to suppliers, and the Company could be left with unwanted product. Additionally, some suppliers may be unwilling or unable to pay the Company for products returned to them under purchase agreements, and this trend may accelerate as consolidation in the industry increases. For products offered by major suppliers, each of these events, were they to occur, could materially adversely impact the Company's business, financial condition, or results of operations. See "Business -- Products and Suppliers."

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

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

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

Relationship with Ingram Industries, Ingram Entertainment, and the Ingram Family Stockholders. The Company has historically depended on Ingram Industries and other subsidiaries of Ingram Industries for financing, cash management, tax and payroll administration, property/casualty insurance, employee benefits administration, and certain other administrative services. In conjunction with the Split-Off, the Company, Ingram Industries, and Ingram Entertainment Inc. ("Ingram Entertainment"), a wholly-owned subsidiary of Ingram Industries, will enter into agreements for the continued provision after the Split-Off of certain services formerly shared among such entities (collectively, the "Transitional Service Agreements"), as well as a tax sharing and tax services agreement. See "The Split-Off and the Reorganization -- The Reorganization." The Company believes that the terms of the Transitional Service Agreements will be on a basis as favorable to the Company as those that would have been obtained from third parties on an arm's length basis and that they will be adequate to allow the Company to continue its business as previously conducted on an independent basis. The Company's historical financial statements reflect an allocation of expenses in connection with the services covered by the Transitional Service Agreements. Although the Company expects the costs and fees to be paid by it in connection with the Transitional Service Agreements to be higher than its historical allocated costs, it does not believe the increase in costs will be material to its results of operations. In addition, the Transitional Service Agreements generally terminate on December 31, 1996, although payroll services under the Transitional Service Agreements will be provided through December 31, 1997. After such termination, the Company will be required to provide such services internally or find a third-party provider of such services. There can be no assurance that the Company will be able to secure the provision of such services on acceptable terms. Either the additional costs and fees associated with the Transitional Service Agreements or the failure to obtain acceptable provision of services upon termination of the Transitional Service Agreements could have a material adverse effect on the Company's business, financial condition, or results of operations. After the Split-Off, each of the Company and Ingram Industries will be controlled by the Ingram Family Stockholders (as defined herein). See "-- Control by Ingram Family Stockholders; Certain Anti-takeover Provisions." After the Split-Off, Ingram Entertainment will continue to be a wholly-owned subsidiary of Ingram Industries. Although there can be no assurance, it is contemplated that, on or after June 20, 1997, certain remaining stockholders of Ingram Industries will exchange their remaining shares of Ingram Industries common stock for shares of Ingram Entertainment common stock. See "The Split-Off and the Reorganization -- The Reorganization."

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

In connection with the Split-Off, the Company made a $20.0 million distribution to Ingram Industries in the second quarter of 1996. Additionally, the Company may declare a dividend, which would be paid to Ingram Industries and the other holders of Class B Common Stock prior to the Split-Off, in an amount yet to be determined. The Company does not expect the dividend, if paid, to be material in relation to the Company's stockholders' equity or cash available for operations.

Control by Ingram Family Stockholders; Certain Anti-takeover Provisions. Immediately after the Split-Off and the closing of this offering, 69.6% of the outstanding Common Equity (and 80.7% of the outstanding voting power) will be held by the Ingram Family Stockholders (68.0% and 80.5%, respectively, if the U.S. Underwriters' over-allotment option is exercised in full). Martha R. Ingram, her children, certain trusts created for their benefit, and two charitable trusts and a foundation created by the Ingram family (collectively, the "Ingram Family Stockholders") are expected to enter into a Board Representation Agreement (as defined herein) with the Company, which provides that certain types of corporate transactions, including transactions involving the potential sale or merger of the Company; the issuance of additional equity, warrants, or options; certain acquisitions; or the incurrence of significant indebtedness, may not be entered into without the written approval of at least a majority of the voting power held by certain of the Ingram Family Stockholders acting in their sole discretion. See "The Split-Off and the Reorganization -- The Split-Off," "Principal Stockholders," and "Description of Capital Stock." Voting control by the Ingram Family Stockholders may discourage certain types of transactions involving an actual or potential change of control of the Company, including transactions in which the holders of the Company's Common Stock might receive a premium for their shares over the prevailing market price of the Common Stock.

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

Shares Eligible for Future Sale. Upon completion of the Combined Offering, the Company will have outstanding 20,200,000 shares of Common Stock (23,200,000 shares if the U.S. Underwriters' over-allotment option is exercised in full) and 109,813,762 shares of Class B Common Stock, and an additional approximately 16,200,000 shares of Common Stock and approximately 4,800,000 shares of Class B Common Stock will be reserved for issuance upon exercise of outstanding stock options held by employees and directors of the Company, Ingram Industries, and Ingram Entertainment. See "Management." The 20,200,000 shares of Common Stock to be sold by the Company in the Combined Offering will be freely tradable without restriction. The Company and its directors and executive officers, and certain stockholders of the Company, have agreed, subject to certain exceptions, not to offer, sell, contract to sell or otherwise dispose of any Common Equity for a period of 180 days after the date of this Prospectus without the prior written consent of Morgan Stanley & Co. Incorporated. Morgan Stanley & Co. Incorporated has informed the Company that it has no present intention to consent to any such transactions. Despite these limitations, the sale of a significant number of these shares could have an adverse impact on the price of the Common Stock or on any trading market that may develop. See "Shares Eligible for Future Sale."

Absence of Public Market; Possible Volatility of Stock Price. Prior to this offering, there has been no public market for the Common Stock or the Class B Common Stock. There can be no assurance that an active trading market for the Common Stock will develop, or, if one does develop, that it will be sustained following this offering or that the market price of the Common Stock will not decline below the initial public offering price. The initial public offering price will be determined by negotiations between the Company and the Representatives of the Underwriters. See "Underwriters -- Pricing of Offering." The market price of the

Common Stock could be subject to wide fluctuations in response to quarterly variations in the Company's results of operations, changes in earnings estimates by research analysts, conditions in the personal computer industry, or general market or economic conditions, among other factors. In addition, in recent years the stock market has experienced extreme price and volume fluctuations. These fluctuations have had a substantial effect on the market prices of many technology companies, often unrelated to the operating performance of the specific companies. Such market fluctuations could materially adversely affect the market price for the Common Stock.

Dilution. The initial public offering price of the shares of Common Stock offered hereby will be substantially higher than the net tangible book value per share of the Common Equity. Therefore, purchasers of Common Stock in the Combined Offering will experience an immediate and substantial dilution in net tangible book value per share. See "Dilution."

THE COMPANY

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

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

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

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

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

The Company has grown rapidly over the past five years, with net sales and net income increasing to $8.6 billion and $84.3 million, respectively, in 1995 from $2.0 billion and $30.2 million, respectively, in 1991, representing compound annual growth rates of 43.8% and 29.3%, respectively. The Company's growth during this period reflects substantial expansion of its existing domestic and international operations, resulting from

the addition of new customers, increased sales to the existing customer base, the addition of new product categories and suppliers, and the establishment of Ingram Alliance, as well as the successful integration of ten acquisitions worldwide. Because of intense price competition in the microcomputer products wholesale distribution industry, the Company's margins have historically been narrow and are expected in the future to continue to be narrow. In addition, the Company is highly leveraged and has relied heavily on debt financing for its increasing working capital needs in connection with the expansion of its business. See "Risk Factors -- Narrow Margins" and "-- Capital Intensive Nature of Business; High Degree of Leverage."

The Company is currently a subsidiary of Ingram Industries, a company controlled by the Ingram Family Stockholders. The Company, Ingram Industries, and Ingram Entertainment will enter into certain agreements, pursuant to which the operations of the three companies will be reorganized (the "Reorganization"). In the Reorganization, the Company, Ingram Industries, and Ingram Entertainment will allocate certain liabilities and obligations among themselves. Immediately prior to the closing of this offering, Ingram Industries will consummate an exchange, pursuant to which certain existing stockholders of Ingram Industries will exchange all or a portion of their shares of Ingram Industries common stock for shares of Class B Common Stock of the Company in specified ratios. Immediately after the Split-Off and the closing of this offering, none of the Common Equity will be held by Ingram Industries, other than the approximately 250,000 shares to be purchased by Ingram Industries in the Priority Offer. See "Employee and Priority Offers -- Priority Offer." At such time, 69.6% of the outstanding Common Equity (and 80.7% of the outstanding voting power) will be held by the Ingram Family Stockholders (68.0% and 80.5%, respectively, if the U.S. Underwriters' over-allotment option is exercised in full). See "Risk Factors -- Control by Ingram Family Stockholders; Certain Anti-takeover Provisions." Such exchange of shares of Ingram Industries common stock for shares of Class B Common Stock of the Company, together with those elements of the Reorganization contemplated to occur prior to the closing of this offering, are referred to herein as the "Split-Off." The consummation of the Split-Off is a non-waiveable condition to the closing of this offering. See "Principal Stockholders" and "The Split-Off and the Reorganization." After the Split-Off, Ingram Entertainment will continue to be a wholly-owned subsidiary of Ingram Industries. Although there can be no assurance, it is contemplated that, on or after June 20, 1997, certain remaining stockholders of Ingram Industries will exchange their remaining shares of Ingram Industries common stock for shares of Ingram Entertainment common stock. See "The Split-Off and the Reorganization."

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

USE OF PROCEEDS

The net proceeds to the Company from the Combined Offering, after deducting estimated underwriting discounts and commissions and estimated offering expenses, are assumed to be approximately $285.1 million ($327.6 million if the U.S. Underwriters' over-allotment option is exercised in full). At September 28, 1996, the Company had total outstanding debt of $625.0 million, of which $479.7 million was due to Ingram Industries. Concurrently with the Split-Off, the Company will assume Ingram Industries' accounts receivable securitization program (expected to aggregate $173.0 million at the closing of this offering) in partial satisfaction of amounts due to Ingram Industries. The Company intends to use borrowings under the Credit Facility to repay (i) the remaining intercompany indebtedness to Ingram Industries, which was incurred for general corporate purposes, primarily working capital needs in connection with the expansion of the Company's business and (ii) outstanding revolving indebtedness related to amounts drawn by certain of the Company's subsidiaries ($82.4 million at September 28, 1996), as participants in Ingram Industries' existing $380 million unsecured credit facility, which will terminate concurrently with the closing of this offering.

The net proceeds from the Combined Offering will be used to repay a portion of the borrowings under the Credit Facility. After giving effect to the foregoing transactions, including the application of the net proceeds from the Combined Offering, borrowings under the Credit Facility would have been approximately $89.6 million on a pro forma basis at September 28, 1996. See "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources," and Note 6 of Notes to Consolidated Financial Statements.

DIVIDEND POLICY

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

CAPITALIZATION

The following table sets forth, as of September 28, 1996, (i) the actual short-term debt and capitalization of the Company, (ii) such short-term debt and capitalization as adjusted to give effect to the Split-Off, and (iii) such as adjusted short-term debt and capitalization as further adjusted to reflect the sale of the shares of Common Stock offered by the Company in the Combined Offering at an assumed initial public offering price of $15.00 per share (after deducting estimated underwriting discounts and commissions and estimated offering expenses) and the application of the estimated net proceeds therefrom. See "Use of Proceeds."

	SEPTEMBER 28, 1996		
	ACTUAL	AS ADJUSTED(1)	AS FURTHER ADJUSTED(1)(2)
	(IN THOUSANDS, EXCEPT SHARE DATA)		
Short-term debt:			
Current maturities of long-term debt	$ 16,458	$ 16,458	$ 16,458
Long-term debt:			
Long-term debt	$128,855	$ 471,142	$186,042
Due to Ingram Industries	479,703	0	0
Total long-term debt	608,558	471,142	186,042
Redeemable Class B Common Stock	17,223	17,223	17,223
Stockholders' equity(3)(4):			
Preferred Stock, $0.01 par value; 1,000,000 shares authorized; 0, 0, and 0 shares issued and outstanding, respectively	0	0	0
Class A Common Stock, $0.01 par value; 265,000,000 shares authorized; 0, 0, and 20,200,000 shares issued and outstanding, respectively	0	0	202
Class B Common Stock, $0.01 par value; 135,000,000 shares authorized; 109,813,762 shares issued and outstanding (including 2,460,400 redeemable shares)	1,074	1,074	1,074
Additional paid in capital	23,140	23,140	308,038
Retained earnings	339,689	339,689	328,877
Cumulative translation adjustment	2,680	2,680	2,680
Unearned compensation	(594)	(594)	(594)
Total stockholders' equity	365,989	365,989	640,277
Total capitalization	$991,770	$ 854,354	$843,542

- ---

(1) As adjusted to reflect (i) the assumption by the Company of the accounts receivable program of Ingram Industries in satisfaction of amounts due to Ingram Industries (resulting in an increase of $319.7 million in long-term debt, a decrease of $479.7 million in amounts due to Ingram Industries, and a decrease of $160.0 million in trade accounts receivable not reflected in this table) and (ii) approximately $22.6 million of indebtedness to be incurred by the Company in connection with the acquisition of certain facilities currently utilized by the Company (resulting in an increase of $22.6 million in long-term debt, which is reflected in this table, and a similar increase in property and equipment, which is not reflected in this table), as if such transactions had occurred on September 28, 1996. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources" and "Certain Transactions."

(2) As further adjusted to give effect to the issuance of the Common Stock offered by the Company in the Combined Offering at an assumed initial public offering price of $15.00 per share (after deducting estimated underwriting discounts and commissions and estimated offering expenses), the repayment of certain revolving indebtedness including certain amounts outstanding under the Credit Facility with the entire net proceeds therefrom, and the additional estimated $10.8 million non-cash charge related to certain Rollover Stock Options. See "Use of Proceeds" and "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Overview."

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

(4) Excludes approximately 21,000,000 shares of Common Equity issuable in connection with outstanding stock options. See "Management -- 1996 Plan -- Options" and "-- Rollover Plans; Incentive Stock Units."

DILUTION

The net tangible book value of the Common Equity of the Company as of September 28, 1996 was $354.4 million or $3.23 per share of Common Equity. Net tangible book value represents the amount of total tangible assets less total liabilities.

Dilution per share to new investors represents the difference between the amount per share paid by purchasers of Common Stock in the Combined Offering and the pro forma net tangible book value per share of Common Equity immediately after the closing of this offering. After giving effect to the sale of 20,200,000 shares of Common Stock offered hereby by the Company at an assumed initial public offering price of $15.00 per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses and the application of the estimated net proceeds therefrom, the pro forma net tangible book value of the Company as of September 28, 1996 would have been $628.7 million or $4.84 per share of Common Equity. This represents an immediate increase in net tangible book value of $1.61 per share of Common Equity to existing stockholders and an immediate dilution of $10.16 per share of Common Equity to purchasers of Common Stock in the Combined Offering. The following table illustrates the per share dilution to new investors:

Assumed initial public offering price per share		$15.00
Net tangible book value per share of Common Equity as of September 28, 1996	$3.23	
Increase attributable to new investors	1.61	
Net tangible book value per share of Common Equity after this offering		4.84
Dilution per share of Common Equity to new investors		$10.16

The following table summarizes, as of September 28, 1996, the difference (before deducting estimated underwriting discounts and commissions and estimated offering expenses) between existing stockholders and the purchasers of shares of Common Stock in the Combined Offering (at an assumed initial public offering price of $15.00 per share) with respect to: (i) the number of shares of Common Equity purchased from the Company; (ii) the effective cash consideration paid; and (iii) the average price paid per share of Common Equity.

	SHARES PURCHASED		TOTAL CONSIDERATION		AVERAGE PRICE
	NUMBER	PERCENT	AMOUNT	PERCENT	PER SHARE
Existing stockholders(1)	109,813,762	84.5%	$ 83,783,800	21.7%	$ 0.76
New investors	20,200,000	15.5	303,000,000	78.3	15.00
Total	130,013,762	100.0%	$386,783,800	100.0%	

- ---

(1) Excludes options issued under the Company's 1996 Plan and Rollover Plan, to purchase an aggregate of 21,000,000 shares of Common Equity. To the extent any of these options are exercised, there will be further dilution to new investors. See "Management -- 1996 Plan -- Options" and "-- Rollover Plan; Incentive Stock Units."

SELECTED CONSOLIDATED FINANCIAL DATA

The following table presents selected consolidated financial data of the Company. The information set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical consolidated financial statements and notes thereto included elsewhere in this Prospectus. The consolidated statement of income data set forth below for each of the three years in the period ended December 30, 1995 and the consolidated balance sheet data at December 31, 1994 and December 30, 1995 are derived from, and are qualified by reference to, the audited consolidated financial statements included elsewhere in this Prospectus, and should be read in conjunction with those financial statements and the notes thereto. The consolidated balance sheet data as of January 1, 1994 are derived from the audited consolidated balance sheet of the Company as of January 1, 1994, which is not included in this Prospectus. The consolidated statement of income data for each of the two years in the period ended January 2, 1993 and the consolidated balance sheet data as of December 28, 1991 and January 2, 1993 are derived from unaudited consolidated financial statements not included in this Prospectus. The consolidated financial data as of and for the thirty-nine weeks ended September 30, 1995, and as of and for the thirty-nine weeks ended September 28, 1996, have been derived from unaudited consolidated financial statements of the Company which are included in this Prospectus and which, in the opinion of the Company, reflect all adjustments, consisting only of adjustments of a normal and recurring nature, necessary for a fair presentation. Results for the thirty-nine weeks ended September 28, 1996 are not necessarily indicative of results for the full year. The historical consolidated financial data may not be indicative of the Company's future performance and do not necessarily reflect what the financial position and results of operations of the Company would have been had the Company operated as a separate, stand-alone entity during the periods covered. See "Consolidated Financial Statements."

	FISCAL YEAR					THIRTY-NINE WEEKS ENDED	
INCOME STATEMENT DATA:	1991	1992	1993	1994	1995	SEPTEMBER 30, 1995	SEPTEMBER 28, 1996
	(IN THOUSANDS, EXCEPT PER SHARE DATA)						
Net sales	$2,016,586	$2,731,272	$4,044,169	$5,830,199	$8,616,867	$ 6,070,722	$ 8,474,710
Cost of sales	1,831,140	2,503,702	3,714,527	5,391,224	8,011,181	5,648,210	7,900,223
Gross profit	185,446	227,570	329,642	438,975	605,686	422,512	574,487
Expenses:							
Selling, general and administrative	116,793	157,306	225,047	296,330	415,344	296,079	386,492
Charges allocated from Ingram Industries	1,030	1,330	1,567	2,355	3,461	2,561	3,259
Non-cash compensation charge	0	0	0	0	0	0	8,859(2)
	117,823	158,636	226,614	298,685	418,805	298,640	398,610(2)
Income from operations	67,623	68,934	103,028	140,290	186,881	123,872	175,877(2)
Other (income) expense:							
Interest income	(256)	(103)	(407)	(937)	(3,479)	(3,049)	(1,188)
Interest expense	3,233	5,556	5,003	8,744	13,451	8,918	10,608
Interest expense charged by Ingram Industries	11,859	12,405	16,089	24,189	32,606	22,977	30,912
Net foreign currency exchange loss	0	0	111	6,873	7,751	6,572	447
Other	324	2,574	(623)	716	1,936	405	1,689
	15,160	20,432	20,173	39,585	52,265	35,823	42,468
Income before income taxes and minority interest	52,463	48,502	82,855	100,705	134,616	88,049	133,409(2)
Provision for income taxes	22,286	17,529	31,660	39,604	53,143	34,755	55,459
Income before minority interest	30,177	30,973	51,195	61,101	81,473	53,294	77,950(2)
Minority interest	0	0	840	(2,243)	(2,834)	(2,986)	383
Net income(1)	$ 30,177	$ 30,973	$ 50,355	$ 63,344	$ 84,307	$ 56,280	$ 77,567(2)
Earnings per share	$ 0.25	$ 0.26	$ 0.42	$ 0.53	$ 0.70	$ 0.47	$ 0.64(2)
Weighted average common shares outstanding	120,554	120,554	120,554	120,554	120,554	120,554	120,891

	DECEMBER 28, 1991	JANUARY 2, 1993	JANUARY 1, 1994	DECEMBER 31, 1994	DECEMBER 30, 1995	SEPTEMBER 28, 1996
BALANCE SHEET DATA:	(IN THOUSANDS)					
Cash	$ 15,510	$ 25,276	$ 44,391	$ 58,369	$ 56,916	$ 43,196

Working capital	288,462	334,913	471,616	663,049	1,019,639	828,084
Total assets	670,649	915,590	1,296,363	1,974,289	2,940,898	2,843,712
Total debt(3)	244,785	295,389	398,929	552,283	850,548	625,016
Stockholder's equity	78,972	109,418	155,459	221,344	310,795	365,989

- ---

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

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

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

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

OVERVIEW

Ingram Micro is the leading wholesale distributor of microcomputer products worldwide. The Company's net sales have grown to $8.6 billion in 1995 from $2.0 billion in 1991. This sales growth reflects substantial expansion of its existing domestic and international operations, resulting from the addition of new customers, increased sales to the existing customer base, the addition of new product categories and suppliers, and the establishment of Ingram Alliance, as well as the successful integration of ten acquisitions worldwide. Net income has grown to $84.3 million in 1995 from $30.2 million in 1991.

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

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

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

Historically, the Company's sources of capital have primarily been borrowings from Ingram Industries through debt facilities maintained by Ingram Industries and guaranteed by the Company. The Company has a commitment providing for the $1 billion Credit Facility, and the Company expects to enter into a formal agreement prior to the closing of this offering. See "-- Liquidity and Capital Resources." Concurrently with the Split-Off, the Company intends to use borrowings under the Credit Facility to repay (i) intercompany indebtedness in partial satisfaction of amounts due to Ingram Industries (the Company is assuming Ingram Industries' accounts receivable securitization program in satisfaction of the remaining amounts due to Ingram Industries) and (ii) outstanding revolving indebtedness related to amounts drawn by certain of the Company's

subsidiaries, as participants in Ingram Industries' existing unsecured credit facility, which will terminate concurrently with the closing of this offering. The net proceeds from the Combined Offering will be used to repay a portion of the borrowings under the Credit Facility. See "Use of Proceeds." The Company has historically depended on Ingram Industries and other subsidiaries of Ingram Industries for financing, management, tax and payroll administration, property/casualty insurance, employee benefits administration, and certain other administrative services. In conjunction with the Reorganization, the Company, Ingram Industries, and Ingram Entertainment will enter into the Transitional Service Agreements, as well as a tax sharing and tax services agreement. See "The Split-Off and the Reorganization -- The Reorganization." The Company believes that the terms of the Transitional Service Agreements will be on a basis as favorable to the Company as those that would have been obtained from third parties on an arm's length basis. The Company's historical financial statements reflect an allocation of expenses in connection with the services covered by the Transitional Service Agreements. Although the Company expects the costs and fees to be paid by it in connection with the Transitional Service Agreements to be higher than its historical allocated costs, it does not believe the increase in costs will be material to its results of operations. On a long-term basis, the Company will be required to hire personnel to perform such services or contract with one or more independent third parties to provide such services. See "Risk Factors -- Relationship with Ingram Industries, Ingram Entertainment, and the Ingram Family Stockholders."

The microcomputer wholesale distribution business is capital intensive. The Company's business requires significant levels of capital to finance accounts receivable and product inventory that is not financed by trade creditors. The Company is highly leveraged and has relied heavily on debt financing for its increasing working capital needs in connection with the expansion of its business. The Company will need additional capital to finance its product inventory and accounts receivable as it expands its business. The Company's interest expense for any current or future indebtedness will be subject to fluctuations in interest rates and may cause fluctuations in the Company's net income. In connection with the Split-Off, the Company will assume Ingram Industries' accounts receivable securitization program, and financing costs associated with this program will be classified as other expense. Prior to the Split-Off, such expenses were reflected as interest expense charged by Ingram Industries. While this structure will not increase the Company's cost of financing, this change in the classification of financing costs will result in an increase in the Company's other expenses of approximately $10.5 million per year and a corresponding decrease in its interest expense.

In connection with the Split-Off, certain outstanding Ingram Industries options, incentive stock units ("ISUs"), and stock appreciation rights ("SARs") held by certain employees of Ingram Industries, Ingram Entertainment, and Ingram Micro will be exchanged or converted to options to purchase up to an aggregate of approximately 11,000,000 shares of Common Stock ("Rollover Stock Options"). See "Management -- Rollover Plan; Incentive Stock Units." The Company has recorded a pre-tax non-cash compensation charge of approximately $8.9 million ($5.4 million net of tax) in the first three quarters of 1996 related to the vested portion of certain of the Rollover Stock Options as the terms and grants of the Rollover Stock Options were established in the first quarter of 1996. This charge was based on the difference between the estimated fair value of such options in the first quarter of 1996 and the exercise price of such options or SARs. In addition, at the time of this offering, the Company will be required by applicable accounting rules to record a non-cash compensation charge with respect to the vested portion of approximately 1,300,000 formula plan Rollover Stock Options included in the 11,000,000 shares. This non-cash charge is expected to be approximately $10.8 million based on the difference between the average exercise price of $2.63 per share and $15.00 per share, the assumed initial public offering price of the Common Stock. The Company will be required by applicable accounting rules to record additional non-cash compensation charges over the remaining vesting periods of the Rollover Stock Options. The Company expects these additional charges to be $1.0 million ($0.6 million net of tax) for the fourth quarter of 1996, $6.4 million ($5.0 million net of tax) for 1997 and $4.3 million ($3.2 million net of tax) for 1998.

RESULTS OF OPERATIONS

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

	FISCAL YEAR						THIRTY-NINE WEEKS ENDED			
	1993		1994		1995		SEPTEMBER 30, 1995		SEPTEMBER 28, 1996	
	(DOLLARS IN MILLIONS)									
NET SALES BY GEOGRAPHIC REGION(1):										
United States	$ 3,118	77.1%	$ 4,122	70.7%	$ 5,970	69.3%	$ 4,287	70.6%	$ 5,930	70.0%
Europe	485	12.0	1,078	18.5	1,849	21.4	1,239	20.4	1,745	20.6
Other international	441	10.9	630	10.8	798	9.3	545	9.0	800	9.4
Total	$ 4,044	100.0%	$ 5,830	100.0%	$ 8,617	100.0%	$ 6,071	100.0%	$ 8,475	100.0%

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

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

	PERCENTAGE OF NET SALES				
	FISCAL YEAR			THIRTY-NINE WEEKS ENDED	
	1993	1994	1995	SEPTEMBER 30, 1995	SEPTEMBER 28, 1996
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	91.9	92.5	93.0	93.0	93.2
Gross profit	8.1	7.5	7.0	7.0	6.8
Expenses:					
SG&A expenses and charges allocated from Ingram Industries	5.6	5.1	4.8	5.0	4.6
Non-cash compensation charge	0.0	0.0	0.0	0.0	0.1
Income from operations	2.5	2.4	2.2	2.0	2.1
Other expense, net	0.5	0.7	0.6	0.5	0.5
Income before income taxes and minority interest	2.0	1.7	1.6	1.5	1.6
Provision for income taxes	0.8	0.6	0.6	0.6	0.7
Minority interest	0.0	0.0	0.0	0.0	0.0
Net income	1.2%	1.1%	1.0%	0.9%	0.9%

FIRST THREE QUARTERS 1996 COMPARED TO FIRST THREE QUARTERS 1995

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

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

accounted for 70.0% of consolidated net sales, net sales from European operations accounted for 20.6% of consolidated net sales, and other international net sales accounted for 9.4% of consolidated net sales.

In the first three quarters of 1995, net sales from U.S. operations accounted for 70.6% of consolidated net sales, net sales from European operations accounted for 20.4% of consolidated net sales, and other international net sales accounted for 9.0% of consolidated net sales.

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

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

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

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

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

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

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

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

increased 37.8% to $77.6 million in the first three quarters of 1996 from $56.3 million in the first three quarters of 1995, but remained constant as a percentage of net sales at 0.9%.

1995 COMPARED TO 1994

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

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

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

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

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

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

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

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

1994 COMPARED TO 1993

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

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

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

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

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

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

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

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

QUARTERLY DATA; SEASONALITY

The Company's quarterly net sales and operating results have varied significantly in the past and will likely continue to do so in the future as a result of seasonal variations in the demand for the products and services offered by the Company, the introduction of new hardware and software technologies and products offering improved features and functionality, the introduction of new products and services by the Company

and its competitors, the loss or consolidation of a significant supplier or customer, changes in the level of operating expenses, inventory adjustments, product supply constraints, competitive conditions including pricing, interest rate fluctuations, the impact of acquisitions, currency fluctuations, and general economic conditions. The Company's narrow operating margins may magnify any such fluctuations. Specific historical seasonal variations in the Company's operating results have included a reduction of demand in Europe during the summer months, increased Canadian government purchasing in the first quarter, and pre-holiday stocking in the retail channel during the September to November period. In addition, as was the case with the introduction of Microsoft Windows 95 in August 1995, the product cycle of major products may materially impact the Company's business, financial condition, or results of operations.

The following table sets forth certain unaudited quarterly historical consolidated financial data for each of the eleven quarters up to the period ended September 28, 1996. This unaudited quarterly information has been prepared on the same basis as the annual information presented elsewhere herein and, in the Company's opinion, includes all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the selected quarterly information. This information should be read in conjunction with the consolidated financial statements and notes thereto included elsewhere in this Prospectus. The operating results for any quarter shown are not necessarily indicative of results for any future period.

	NET SALES	GROSS PROFIT	INCOME FROM OPERATIONS	INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	NET INCOME	EARNINGS PER SHARE
	(IN MILLIONS, EXCEPT PER SHARE DATA)					
FISCAL YEAR ENDED DECEMBER 31, 1994						
THIRTEEN WEEKS ENDED:						
April 2, 1994	$1,266.6	$ 92.4	$ 26.1	$ 19.4	$11.6	$0.10
July 2, 1994	1,298.9	96.8	28.3	19.5	12.1	0.10
October 1, 1994	1,387.0	105.1	32.9	24.3	14.6	0.12
December 31, 1994	1,877.7	144.7	53.0	37.5	25.0	0.21
FISCAL YEAR ENDED DECEMBER 30, 1995						
THIRTEEN WEEKS ENDED:						
April 1, 1995	$1,879.5	$132.4	$ 38.5	$ 24.3	$17.1	$0.14
July 1, 1995	1,859.6	138.9	40.2	30.0	18.4	0.15
September 30, 1995	2,331.6	151.2	45.2	33.8	20.8	0.17
December 30, 1995	2,546.2	183.2	63.0	46.5	28.0	0.23
FISCAL YEAR ENDED DECEMBER 28, 1996						
THIRTEEN WEEKS ENDED:						
March 30, 1996	$2,752.7	$186.6	$ 54.9(1)	$ 39.6(1)	$23.8 (1)	$0.20(1)
June 29, 1996	2,790.4	190.5	59.5(2)	44.9(2)	26.8 (2)	0.22(2)
September 28, 1996	2,931.5	197.5	61.4(3)	48.9(3)	26.9 (3)	0.22(3)

- ---

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

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

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

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

LIQUIDITY AND CAPITAL RESOURCES

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

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

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

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

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

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

The net proceeds from the Combined Offering will be used to repay a portion of the borrowings under the Credit Facility. After giving effect to the foregoing transactions, including the application of the net proceeds from the Combined Offering, borrowings under the Credit Facility would have been approximately $89.6 million on a pro forma basis at September 28, 1996. See "Use of Proceeds." After giving effect to the foregoing

transactions and the application of the net proceeds from the Combined Offering, the Company would have had available approximately $910.4 million under the Credit Facility. The aggregate amount of long-term debt outstanding after the Split-Off, and before application of the proceeds from the Combined Offering, will be substantially similar to the long-term debt and debt due to Ingram Industries immediately prior to the Split-Off, except as adjusted for the accounts receivable securitization program to be assumed by the Company and the incurrence of an additional $22.6 million of indebtedness in connection with the acquisition of lease agreements related to certain facilities currently utilized by the Company. See "Certain Transactions."

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

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

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

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

ASSET MANAGEMENT

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

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

CHANGES IN ACCOUNTING STANDARDS

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

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

BUSINESS

OVERVIEW

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

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

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

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

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

The Company has grown rapidly over the past five years, with net sales and net income increasing to $8.6 billion and $84.3 million, respectively, in 1995 from $2.0 billion and $30.2 million, respectively, in 1991, representing compound annual growth rates of 43.8% and 29.3%, respectively. For the thirty-nine weeks ended

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

THE INDUSTRY

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

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

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

The evolution of open sourcing during the past several years is a phenomenon specific to the U.S. microcomputer products wholesale distribution market. Historically, branded computer systems from large suppliers such as Apple Computer, Compaq Computer, Hewlett-Packard, and IBM were sold in the United

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

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

BUSINESS STRATEGY

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

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

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

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

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

By providing greater worldwide market coverage, Ingram Micro also increases the scale of its business, which results in more cost economies. In addition, as it increases its global reach, the Company diversifies its business across different markets, reducing its exposure to individual market downturns. The Company has grown its international operations principally through acquisitions and currently has operations in 18 countries outside the United States: Canada, Mexico, most countries of the European Union, Norway, Malaysia, Singapore, Japan, Argentina, and Ecuador. The Company believes that it is the market share leader in the United States, Canada, and Mexico, and the second largest full-line distributor in Europe, based on publicly available data and management's knowledge of the industry. The Company's objective is to achieve the number one market share in each of the markets in which it operates.

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

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

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

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

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

PROVIDE SUPERIOR EXECUTION FOR RESELLER CUSTOMERS. Ingram Micro continually refines its systems and processes to provide superior execution and service to reseller customers. The Company believes that the level of service achieved with its systems and processes is a competitive advantage and has been a principal contributor to its success to date.

Providing superior execution involves, among other factors, rapid response to customer calls, quick access to relevant product information, high order fill rates, and on-time, accurate shipments. The Company's information systems enable telesales representatives to provide reseller customers with real-time inventory and pricing information. Ingram Micro strives to maintain high order fill rates by keeping extensive supplies of product in its 29 distribution centers worldwide. In the United States and Canada, the Company has implemented control systems and processes referred to as Bulletproof Shipping, which include stock-keeping unit ("SKU") bar coding

for all products and on-line quality assurance methods. As a result of this program, substantially all orders in the United States received by 5:00 p.m. are shipped on the same day, with highly accurate shipping performance.

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

DELIVER WORLD-CLASS VALUE-ADDED SERVICES TO SUPPLIERS AND RESELLERS. Ingram Micro is committed to providing a diverse range of value-added wholesaling and "for fee" services to its supplier and reseller customers. Together, these services are intended to link reseller customers and suppliers to Ingram Micro as a one-stop provider of microcomputer products and related services, while meeting demand by suppliers and resellers to outsource non-core business activities and thereby lower their operating costs.

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

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

MAINTAIN LOW COST LEADERSHIP THROUGH CONTINUOUS IMPROVEMENTS IN SYSTEMS AND PROCESSES. The microcomputer products industry is characterized by intense competition and narrow margins, and as a result, achieving economies of scale and controlling operating expenses are critical to achieving and maintaining profitable growth.

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

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

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

DEVELOP HUMAN RESOURCES FOR EXCELLENCE AND TO SUPPORT FUTURE GROWTH. Ingram Micro's growth to date is a result of the talent, dedication, and teamwork of its associates. Future growth and success will be

substantially dependent upon the retention and development of existing associates, as well as the recruitment of superior talent.

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

CUSTOMERS

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

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

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

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

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

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

In addition to focusing on the VAR, Commercial, and Consumer market sectors, the Company also has specialized strategic business units ("SBUs") designed to provide additional focused marketing and support for specific product categories or within specific markets. These product-focused SBUs address the needs of resellers and suppliers for in-depth support of particular product categories. These SBUs include the Technical

Products Division, the Macintosh and Apple Computer Division, the Enterprise Computing Division, and the Mass Storage Division. The Company's market-focused SBUs, which include the Consumer Markets Division, the Education Division, and the Government Division, are designed to meet the needs of resellers and VARs who have chosen to concentrate on a particular customer market.

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

SALES AND MARKETING

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

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

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

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

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

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

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

PRODUCTS AND SUPPLIERS

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

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

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

The Company's suppliers generally warrant the products distributed by the Company and allow the Company to return defective products, including those that have been returned to the Company by its customers. The Company does not independently warrant the products it distributes.

The Company's business, like that of other wholesale distributors, is subject to the risk that the value of its inventory will be affected adversely by suppliers' price reductions or by technological changes affecting the usefulness or desirability of the products comprising the inventory. It is the policy of most suppliers of microcomputer products to protect distributors, such as the Company, who purchase directly from such suppliers, from the loss in value of inventory due to technological change or the supplier's price reductions. Although the Company has written distribution agreements with many of its suppliers, these agreements usually provide for nonexclusive distribution rights and often include territorial restrictions that limit the countries in which Ingram Micro is permitted to distribute the products. The agreements are also generally

short term, subject to periodic renewal, and often contain provisions permitting termination by either party without cause upon relatively short notice. The Company does not believe that its business is substantially dependent on the terms of any such agreements. Under the terms of many distribution agreements, suppliers will credit the distributor for declines in inventory value resulting from the supplier's price reductions if the distributor complies with certain conditions. In addition, under many such agreements, the distributor has the right to return for credit or exchange for other products a portion of those inventory items purchased, within a designated period of time. A supplier who elects to terminate a distribution agreement generally will repurchase from the distributor the supplier's products carried in the distributor's inventory. While the industry practices discussed above are sometimes not embodied in written agreements and do not protect the Company in all cases from declines in inventory value, management believes that these practices provide a significant level of protection from such declines. No assurance can be given, however, that such practices will continue or that they will adequately protect the Company against declines in inventory value. The Company's risk of inventory loss could be greater outside the United States, where agreements with suppliers are more restrictive with regard to price protection and the Company's ability to return unsold inventory. The Company establishes reserves for estimated losses due to obsolete inventory in the normal course of business. Historically, the Company has not experienced losses due to obsolete inventory materially in excess of established inventory reserves. See "Risk Factors -- Product Supply; Dependence on Key Suppliers."

VALUE-ADDED SERVICES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

INGRAM ALLIANCE

Ingram Micro entered the master reseller (also known as "aggregation") business in late 1994 with the launch of Ingram Alliance. Ingram Alliance is designed to offer resellers access to the industry's leading hardware manufacturers at competitive prices by utilizing a lower cost business model that depends upon a higher average order size, lower product returns percentage, and supplier-paid financing. See "Risk Factors -- Narrow Margins" and "-- Risks Associated with Ingram Alliance."

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

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

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

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

INFORMATION SYSTEMS

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

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

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

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

To complement Ingram Micro's telesales, customer service, and technical support capabilities, IMpulse supports CIS, which integrates all of the Company's electronic services into a single solution. CIS offers a number of different electronic media through which customers can conduct business with the Company, such as the Customer Automated Purchasing System ("CAPS"), Electronic Data Interchange ("EDI"), the Bulletin Board Service, and the Ingram Micro Web site. The Company's latest additions to CIS are its Internet-based Electronic Catalog and Manufacturer Information Library. The Electronic Catalog provides reseller customers with real-time access to product pricing and availability, with the capability to search by product category, name, or manufacturer. The Manufacturer Information Library is a comprehensive multi-manufacturer database of timely and accurate product, sales, marketing, and technical information, which is updated nightly for new information. Ingram Micro believes it is the first microcomputer wholesale distributor to offer electronic access to real-time product pricing, availability, and information on the World Wide Web. All of Ingram Micro's CIS offerings are constantly being reviewed for enhancement. For instance, a faster local network intranet solution to access the Manufacturer Information Library is currently being tested, and ordering and configuration capabilities through the Internet are under consideration.

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

features of IMpulse help to expedite the order processing cycle and reduce operating costs for the Company as well as its reseller customers and suppliers.

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

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

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

OPERATIONS

ORDER ENTRY

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

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

SHIPPING

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

centers, Ingram Micro relies on a sophisticated bar code reading system and a flexible automated package handling system for picking, packing, and shipping products accurately and cost effectively. In addition, IMpulse provides on-line shipping, manifesting, freight costing, invoicing and package tracking information.

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

PURCHASING

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

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

GEOGRAPHIC TACTICS

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

UNITED STATES

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

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

- As a cornerstone of the Company's VAR efforts, the Enterprise Computing Division continues to expand its penetration in markets for high-end technical products such as UNIX, document imaging, and networking equipment. This will be accomplished by developing programs which institute a

Company-wide commitment to the UNIX VAR market, providing a sophisticated sales force experienced in complex networking technology solutions, partnering with key suppliers of high-end technical products, and leveraging the Company's core competencies in electronic ordering and configuration.

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

CANADA

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

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

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

EUROPE

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

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

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

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

MEXICO/ASIA PACIFIC

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

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

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

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

EXPORT MARKETS

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

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

COMPETITION

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

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

The Company is constantly seeking to expand its business into areas closely related to its core microcomputer products distribution business. As the Company enters new business areas, it may encounter

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

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

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

FACILITIES

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

The principal properties of the Company consist of the following:

LOCATION	PRINCIPAL USE	APPROXIMATE FLOOR AREA IN SQ. FT.
UNITED STATES		
Santa Ana, CA	Executive offices	398,245
Buffalo, NY	Offices	188,341
Nashville, TN	Data Processing Center	11,782
Millington, TN	Distribution Center (under construction)	600,000
Chicago/Carol Stream, IL	Distribution Centers	456,139
Fullerton, CA	Distribution Center	401,394
Harrisburg, PA	Distribution Center	230,000
Memphis, TN	Distribution Center	160,000
Fremont, CA	Distribution Center	141,540
Carrollton, TX	Distribution Center	121,654
Atlanta, GA	Distribution Center	83,049
Miami, FL	Distribution Center, Offices	52,080

LOCATION	PRINCIPAL USE	APPROXIMATE FLOOR AREA IN SQ. FT.
Santa Ana, CA	Returns Center, Offices	219,500
Fremont, CA	Freight Consolidation Center	58,435
EUROPE		
Brussels, Belgium	Offices	33,600
Horsholm, Denmark	Offices	39,682
Ballerup, Denmark	Distribution Center	58,104
Lesquin, France	Offices	37,088
Paris, France	Offices	4,250
Roncq, France	Distribution Center	96,000
Ottobrunn, Germany	Offices	32,221
Kirchheim, Germany	Distribution Center	75,904
Milan, Italy	Offices	17,114
Milan, Italy	Distribution Center	44,669
Rome, Italy	Offices, Distribution Center	10,225
Utrecht, Netherlands	Offices	30,999
Vianen, Netherlands	Distribution Center	61,149
Oslo, Norway	Offices, Distribution Center	53,595
Madrid, Spain	Offices, Distribution Center	17,689
Barcelona, Spain	Offices, Distribution Center	74,508
Kista, Sweden	Offices	26,371
Sollentuna, Sweden	Distribution Center	43,126
Milton Keynes, U.K.	Offices, Distribution Center	211,992
CANADA		
Toronto, Ontario	Offices, Distribution Center	274,376
Vancouver, B.C.	Offices, Distribution Center	87,148
Montreal, Quebec	Offices	12,000
MEXICO		
Mexico City, D.F.	Offices, Distribution Center	65,695
Puebla, Puebla	Offices, Distribution Center	11,679
Leon, Guanajuato	Offices, Distribution Center	11,206
Guadalajara, Jalisco	Offices, Distribution Center	9,967
Merida, Yucatan	Offices, Distribution Center	6,437
Monterrey, Nuevo Leon	Offices, Distribution Center	6,039
Hermosillo, Sonora	Offices, Distribution Center	5,156
ASIA		
Singapore	Offices, Distribution Center	20,989
Kuala Lumpur, Malaysia	Offices, Distribution Center	6,000
Tokyo, Japan	Offices	720

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

TRADEMARKS AND SERVICE MARKS

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

EMPLOYEES

As of September 28, 1996, the Company had approximately 8,036 associates located as follows: United States -- 4,924, Europe -- 1,840, Canada -- 797, Mexico -- 405, and Asia-Pacific -- 70. Ingram Micro believes that its success depends on the skill and dedication of its associates. The Company strives to attract, develop, and retain outstanding personnel. None of the Company's associates in the United States, Europe, Canada, Malaysia, and Singapore are represented by unions. In Mexico, Ingram Dicom has collective bargaining agreements with one of the national unions. The Company considers its employee relations to be good.

LEGAL PROCEEDINGS

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

MANAGEMENT

EXECUTIVE OFFICERS AND DIRECTORS

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

NAME	AGE	PRESENT AND PRIOR POSITIONS HELD(1)	YEARS POSITIONS HELD
Jerre L. Stead(2)	53	Chief Executive Officer and Chairman of the Board	Aug. 1996 - Present
		Chief Executive Officer and Chairman of the Board, Legent Corporation, a software development company	Jan. 1995 - Aug. 1995
		Executive Vice President, Chairman and Chief Executive Officer, AT&T Corp. Global Information Solutions (NCR Corp.), a computer manufacturer	May 1993 - Dec. 1994
		President and Chief Executive Officer, AT&T Corp. Global Business Communication Systems, a communications company	Sept. 1991 - Apr. 1993
		Chairman, President and Chief Executive Officer, Square D Co., an electronics manufacturer	Sept. 1988 - Aug. 1991
Jeffrey R. Rodek(3)	43	Worldwide President; Chief Operating Officer; Director	Dec. 1994 - Present
		Senior Vice President, Americas and Caribbean, Federal Express, an overnight courier firm	July 1991 - Sept. 1994
		Senior Vice President, Central Support Services, Federal Express	Dec. 1989 - July 1991
David R. Dukes(3)(4)	52	Vice Chairman	Apr. 1996 - Present
		Co-Chairman	Jan. 1992 - Apr. 1996
		Chief Executive Officer, Ingram Alliance	Jan. 1994 - Present
		Chief Operating Officer	Sept. 1989 - Dec. 1993
		Director	Sept. 1989 - Present
		President	Sept. 1989 - Dec. 1991
Sanat K. Dutta	47	Executive Vice President; President, Ingram Micro U.S.	Oct. 1996 - Present
		Executive Vice President	Aug. 1994 - Oct. 1996
		Senior Vice President, Operations	May 1988 - Aug. 1994
John Wm. Winkelhaus, II	46	Executive Vice President; President, Ingram Micro Europe	Jan. 1996 - Present
		Senior Vice President, Ingram Micro Europe	Feb. 1992 - Dec. 1995
		Senior Vice President, Sales	Apr. 1989 - Jan. 1992
Michael J. Grainger	44	Executive Vice President; Worldwide Chief Financial Officer	Oct. 1996 - Present
		Chief Financial Officer	May 1996 - Oct. 1996
		Vice President and Controller, Ingram Industries	July 1990 - Present

NAME	AGE	PRESENT AND PRIOR POSITIONS HELD(1)	YEARS POSITIONS HELD
James E. Anderson, Jr.	49	Senior Vice President, Secretary, and General Counsel	Jan. 1996 - Present
		Vice President, Secretary, and General Counsel, Ingram Industries	Sept. 1991 - Present
		Partner, Dearborn & Ewing, a law firm	Jan. 1986 - Sept. 1991
Douglas R. Antone	43	Senior Vice President; President, Ingram Alliance	June 1994 - Present
		Senior Vice President, Worldwide Sales and Marketing, Borland International, a software development company	Nov. 1993 - May 1994
		Senior Vice President, Worldwide Sales, Borland International	July 1990 - Nov. 1993
Larry L. Elchesen	46	Senior Vice President	June 1994 - Present
		President, Ingram Micro Canada	May 1989 - Present
Philip D. Ellett	42	Senior Vice President; Chief Operating Officer, Ingram Micro Europe	Oct. 1996 - Present
		Senior Vice President; General Manager, U.S. Consumer Markets Division	Jan. 1996 - Oct. 1996
		President, Gates/Arrow, an electronics distributor	Aug. 1994 - Dec. 1995
		President and Chief Executive Officer, Gates/F.A. Distributing, Inc.	Oct. 1991 - Aug. 1994
		President and Chief Operating Officer, Gates/F.A. Distributing, Inc.	Oct. 1990 - Oct. 1991
David M. Finley	56	Senior Vice President, Human Resources	July 1996 - Present
		Senior Vice President, Human Resources, Budget Rent a Car, a car rental company	May 1995 - July 1996
		Vice President, Human Resources, The Southland Corporation, a convenience retail company	Jan. 1977 - May 1995
Robert Furtado	40	Senior Vice President, Operations	Aug. 1994 - Present
		Vice President, Operations	July 1989 - Aug. 1994
Robert Grambo	32	Senior Vice President, Telesales	Oct. 1995 - Present
		Vice President, Sales	Apr. 1994 - Sept. 1995
		Vice President, Product Marketing	Apr. 1993 - Mar. 1994
		President, Bloc Publishing Corp., a software publishing firm	Apr. 1992 - Apr. 1993
		Senior Director, Purchasing, Ingram Micro	Jan. 1990 - Apr. 1992
Ronald K. Hardaway	52	Senior Vice President; Chief Financial Officer, Ingram Micro U.S.	Jan. 1992 - Present
		Senior Vice President and Controller	June 1990 - Jan. 1992
Gregory J. Hawkins	42	Senior Vice President, Sales	Oct. 1995 - Present
		Vice President, Sales	Jan. 1993 - Oct. 1995
		Vice President, Major Accounts	Aug. 1992 - Jan. 1993
		Director, Major Accounts, Consumer Markets	June 1992 - Aug. 1992
		Director, Marketing	Jan. 1991 - June 1992
James M. Kelly	60	Senior Vice President, Management Information Systems	Feb. 1991 - Present

NAME	AGE	PRESENT AND PRIOR POSITIONS HELD(1)	YEARS POSITIONS HELD
David W. Rutledge	43	Senior Vice President, Asia Pacific, Latin America and Export Markets	Jan. 1996 - Present
		Senior Vice President, Administration	Sept. 1991 - Dec. 1995
		Vice President, Secretary, and General Counsel, Ingram Industries	Jan. 1986 - Sept. 1991
Martha R. Ingram(5)(6)	61	Director	May 1996 - Present
		Chairman of the Board of Directors	May 1996 - Aug. 1996
		Chairman of the Board of Directors, Ingram Industries	June 1995 - Present
		Director, Ingram Industries	1981 - Present
		Chief Executive Officer, Ingram Industries	Apr. 1996 - Present
		Director of Public Affairs, Ingram Industries	1979 - June 1995
John R. Ingram(5)	35	Director	Dec. 1994 - Present
		Acting Chief Executive Officer	May 1996 - Aug. 1996
		Co-President, Ingram Industries	Jan. 1996 - Present
		President, Ingram Book Company	Jan. 1995 - Present
		Vice President, Purchasing, Ingram Micro Europe	Jan. 1994 - Dec. 1994
		Vice President, Management Services, Ingram Micro Europe	July 1993 - Dec. 1993
		Director of Management Services, Ingram Micro Europe	Jan. 1993 - June 1993
		Director of Purchasing	Apr. 1991 - Dec. 1992
David B. Ingram(5)	33	Director	May 1996 - Present
		Chairman and President, Ingram Entertainment	Mar. 1996 - Present
		President and Chief Operating Officer, Ingram Entertainment	Aug. 1994 - Mar. 1996
		Vice President, Major Accounts, Ingram Entertainment	Nov. 1993 - Aug. 1994
		Assistant Vice President, Sales, Ingram Entertainment	June 1992 - Nov. 1993
		Director, Sales, Ingram Entertainment	July 1991 - June 1992
Philip M. Pfeffer	51	Director	1986 - Present
		President and Chief Operating Officer, Random House Inc., a publishing company	May 1996 - Present
		Executive Vice President, Ingram Industries	Dec. 1981 - Mar. 1996
		Chairman and Chief Executive Officer, Ingram Distribution Group Inc.	Dec. 1981 - Dec. 1995
		Chairman, Ingram Micro Holdings Inc.	Apr. 1989 - Oct. 1995

NAME	AGE	PRESENT AND PRIOR POSITIONS HELD(1)	YEARS POSITIONS HELD
J. Phillip Samper(3)(7)	62	Director Nominee	Oct. 1996 - Present
		Chairman and Chief Executive Officer, Cray Research, Inc., a computer products company	May 1995 - Mar. 1996
		President and Chief Executive Officer, Sun Microsystems Computer Company, a division of Sun Microsystems, Inc., a computer products company	Jan. 1994 - Mar. 1995
		Managing Partner, FRN Group, a private investment and consulting firm	Feb. 1991 - Jan. 1994
		President and Chief Executive Officer, Kindercare Learning Centers, Inc., a child care and educational company	May 1990 - Feb. 1991
Joe B. Wyatt(3)(8)	61	Director Nominee	Oct. 1996 - Present
		Chancellor, Vanderbilt University	July 1982 - Present

- ---

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

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

(3) Messrs. Samper and Wyatt have agreed to serve as directors, with their service to begin as of the date of this Prospectus. Messrs. Rodek and Dukes will resign from the Board of Directors at such time.

(4) David R. Dukes is a director of National Education Corporation.

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

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

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

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

BOARD OF DIRECTORS

The Board of Directors currently consists of Mr. Stead, Mrs. Ingram and Messrs. John R. Ingram, Rodek, Dukes, David B. Ingram, and Pfeffer. Messrs. Samper and Wyatt have agreed to serve as directors, with their service to begin as of the date of this Prospectus. Messrs. Rodek and Dukes will resign from the Board of Directors at such time. So long as the Ingram Family Stockholders and their permitted transferees (as defined in the Board Representation Agreement) own in excess of 25,000,000 shares of the outstanding Common Equity, the Board Representation Agreement will provide for the designation of (i) not more than three directors designated by the Ingram Family Stockholders, (ii) one director designated by the Chief Executive Officer of the Company, and (iii) four or five additional directors ("Independent Directors") who are not members of the Ingram family or executive officers or employees of the Company. Directors designated by the Ingram Family Stockholders may include Martha R. Ingram, any of her legal descendants, or any of their respective spouses. See "The Split-Off and the Reorganization -- The Split-Off." Mr. Pfeffer is an Independent Director, and Messrs. Samper and Wyatt will be Independent Directors. It is expected that one or two additional Independent Directors will be designated as soon as practicable after the closing of this offering.

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

The Executive Committee will consist of three directors, one of whom will be a director designated by the Ingram Family Stockholders, one of whom will be the director designated by the Chief Executive Officer of the Company, and one of whom will be an Independent Director. The Executive Committee may approve management decisions requiring the immediate attention of the Board of Directors during the period of time between each regularly scheduled meeting of the Board. The Executive Committee will not have authority to approve any of the following items, all of which require the approval of the Board: (i) any action that would require the approval of the holders of a majority of the stock held by certain of the Ingram Family

Stockholders or that would require approval of the holders of a majority of the Common Equity under applicable law or under the Certificate of Incorporation or Bylaws of the Company; (ii) any acquisition with a total aggregate consideration in excess of 2% of the Company's stockholders' equity; (iii) any action outside the ordinary course of business of the Company; or (iv) any other action involving a material shift in policy or business strategy for the Board.

The Nominating Committee will consist of three directors, two of whom will be directors designated by the Ingram Family Stockholders, and one of whom will be the director designated by the Chief Executive Officer of the Company. The function of the Nominating Committee will be to recommend to the full Board of Directors nominees for election as directors of the Company and to elect members of committees of the Board of Directors. The Nominating Committee will name the respective members of an Audit Committee and a Compensation Committee.

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

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

COMPENSATION OF DIRECTORS. Directors who are not Independent Directors will not receive any additional compensation for serving on the Board of Directors, but will be reimbursed for expenses incurred in attending meetings of the Board of Directors and committees thereof. Each Independent Director will be granted, at the beginning of his or her service as a director (for Mr. Pfeffer, on the date of this Prospectus), options to purchase 45,000 shares of Common Stock. These options will have an exercise price per share equal to the market price of the Common Stock on the date of grant and will vest in equal installments on the first, second, and third anniversaries of the date of grant. Independent Directors will not receive any other compensation for their service, but will be reimbursed for expenses incurred in attending meetings of the Board of Directors and committees thereof.

EXECUTIVE COMPENSATION

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

				LONG-TERM COMPENSATION	
		ANNUAL COMPENSATION		AWARDS	
NAME AND PRINCIPAL POSITION(S)	YEAR(1)	SALARY($)(2)	BONUS($)(3)	SECURITIES UNDERLYING OPTIONS/SARS(#)	ALL OTHER COMPENSATION ($)(4)
Linwood A. (Chip) Lacy, Jr.(5)..... Former Chief Executive Officer and Former Chairman of the Board of Directors	1995	$558,000	$ 414,057	--	$ 28,617
Jeffrey R. Rodek..... Worldwide President, Chief Operating Officer, and Director	1995	392,820	267,089	240,258(6)	163,649
David R. Dukes..... Vice Chairman of the Company, Chief Executive Officer of Ingram Alliance, and Director	1995	260,130	205,611	--	10,607
Sanat K. Dutta..... Executive Vice President and President, Ingram Micro U.S.	1995	263,500	213,593	--	12,365
John Wm. Winkelhaus, II..... Executive Vice President and President, Ingram Micro Europe	1995	250,000	130,441	--	124,287

- ---

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

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

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

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

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

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

STOCK OPTION/SAR GRANTS IN LAST FISCAL YEAR. The following table provides information relating to stock options granted to the Named Executive Officers for the year ended December 30, 1995.

	INDIVIDUAL GRANTS(1)				POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM	
NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS/ SARS GRANTED	% OF TOTAL OPTIONS/SARS GRANTED TO EMPLOYEES OF THE COMPANY IN FISCAL YEAR	EXERCISE OR BASE PRICE ($/SH)	EXPIRATION DATE	5%($)	10%($)
Linwood A. (Chip) Lacy, Jr.	--	--	--	--	--	--
Jeffrey R. Rodek(2).....	240,258	22.95%	$ 2.85	1/1/03	$326,532	$782,100
David R. Dukes.....	--	--	--	--	--	--
Sanat K. Dutta.....	--	--	--	--	--	--
John Wm. Winkelhaus, II.....	--	--	--	--	--	--

- ---

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

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

STOCK OPTION/SAR EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR-END OPTION/SAR VALUES. The following table provides information relating to stock options and ISUs exercised by the Named Executive Officers during the year ended December 30, 1995, as well as the number and value of securities underlying unexercised stock options held by the Named Executive Officers as of December 30, 1995.

			NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS/SARS AT YEAR END	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS/SARS AT YEAR END
NAME	SHARES ACQUIRED ON EXERCISE DURING 1995(1)(2)	VALUE REALIZED ($)(3)	EXERCISABLE/ UNEXERCISABLE(2)	EXERCISABLE/ UNEXERCISABLE
Linwood A. (Chip) Lacy, Jr.	1,613,158(4)	$2,917,808	46,875/372,315(5)	$119,844/$810,153(5)
Jeffrey R. Rodek.....	--	--	0/274,580	0/214,400
David R. Dukes.....	--	518,063	30,032/243,861	71,921/540,609
Sanat K. Dutta.....	--	--	0/258,105	0/455,656
John Wm. Winkelhaus, II.....	--	278,600	0/244,376	0/450,216

- ---

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

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

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

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

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

PENSION PLAN

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

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

EMPLOYMENT AGREEMENTS

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

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

In April 1988, the Company entered into an agreement with Mr. Dutta pursuant to which he agreed to serve as Senior Vice President, Operations. The agreement provides for a base salary, participation in the Company's Executive Incentive Bonus Plan, and participation in the Company's health and benefit programs. Mr. Dutta will receive a severance benefit of nine months' base salary if he is terminated without cause or 12 months' base salary if he is involuntarily terminated or has a substantial change in title or reduction of salary within 12 months of a change in control (as defined in the agreement). Mr. Dutta currently serves as Executive Vice President and President, Ingram Micro U.S.

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

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

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

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

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

KEY EMPLOYEE STOCK PURCHASE PLAN

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

Employee Offering. In the second quarter of 1996, the Company offered (the "Employee Offering") 2,775,000 shares of its Class B Common Stock, of which 2,510,400 shares were purchased, in reliance upon Regulation D and Regulation S under the Securities Act of 1933, as amended (the "Securities Act"), for $17,572,800, to certain of its officers. Such shares are subject to vesting, certain restrictions on transfer, and repurchase by the Company upon termination of the holder's employment. As of the date of this Prospectus, 50,000 of such shares have been repurchased by the Company.

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

1996 PLAN

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

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

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

The 1996 Plan permits the granting of (i) stock options that qualify as "Incentive Stock Options" under the U.S. Internal Revenue Code of 1986, as amended (the "Code"), (ii) options other than Incentive Stock Options ("Nonqualified Stock Options"), (iii) SARs granted either alone or in tandem with other awards under the 1996 Plan, (iv) restricted stock and restricted stock units, (v) performance awards, and (vi) other stock-based awards. The Company has reserved 12,000,000 shares of Common Equity (which may be either Common Stock or Class B Common Stock) to cover awards under the 1996 Plan.

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

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

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

Concurrently with the closing of this offering, it is expected that the Board of Directors will grant options under the 1996 Plan to purchase approximately 5,150,000 shares of Common Stock to certain executive officers, employees, and Independent Directors of the Company. The exercise price of these options will be equal to the initial public offering price set forth on the cover page of this Prospectus. Of such options, options to purchase 3,400,000 shares will be granted to Mr. Stead pursuant to the employment agreement described above. See "-- Employment Agreements." Of the total options being granted to Mr. Stead, options to purchase 200,000 shares will vest immediately, and options to purchase an additional 1,600,000 shares will vest in four equal installments beginning April 1, 1998. The remaining options to purchase an additional 1,600,000 shares granted to Mr. Stead, as well as the options to purchase approximately 970,000 shares to be granted to other executive officers and employees of the Company, will vest over a fixed term, subject to continued employment with the Company; however, such options will vest earlier if the Company achieves certain performance criteria. The Company also intends to grant to the Independent Directors, concurrently with this offering, options to purchase an aggregate of 135,000 shares of Common Stock at the initial public offering price set forth on the cover page of this Prospectus. See "-- Board of Directors -- Compensation of Directors." The Company has also granted options to purchase an aggregate of approximately 645,000 shares of Common Stock to certain officers of the Company, in connection with the hiring or promotion of such officers. All of such options have or will have an exercise price equal to the initial public offering price set forth on the cover page of this Prospectus and otherwise have terms similar to those of the options granted in June 1996.

1996 EMPLOYEE STOCK PURCHASE PLAN

The Company intends to make available to its employees the opportunity to purchase shares of Common Stock under its 1996 Employee Stock Purchase Plan (the "ESPP"). The ESPP was adopted by the Board of Directors and stockholders in October 1996. The ESPP is intended to qualify under Section 423 of the Code and permits eligible employees of the Company to purchase Common Stock through payroll deductions, provided that no employee may accrue the right to purchase more than $25,000 worth of stock under all employee stock purchase plans of the Company in any calendar year. Up to 1,000,000 shares of Common Stock will be initially available for sale under the various offerings under the ESPP. The amount of additional shares of Common Stock that will be made available for sale under the ESPP, if any, has not been determined. The initial offering period will commence on or about the date of this Prospectus and will end on the last market trading day on or before December 31, 1998, and the right to purchase shares of Common Stock will accrue in an amount not to exceed $13,000 per employee during the offering period. The price of Common Stock offered under the initial offer under the ESPP will be 100% of the lower of the fair market value of the Common Stock on the first or last day of the offering period. The price of Common Stock offered under subsequent ESPP offerings, the duration of which will be determined by the Committee, will be from 85% to 100% of the lower of the fair market value of the Common Stock on the first or last day of each offering period, as determined by the Committee. Employees may end their participation in the ESPP at any time during an offering period, and they will be paid their payroll deductions accumulated to date. Participation ends automatically on termination of employment with the Company.

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

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

EXECUTIVE INCENTIVE BONUS PLAN

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

ROLLOVER PLAN; INCENTIVE STOCK UNITS

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

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

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

EMPLOYEE AND PRIORITY OFFERS

EMPLOYEE DIRECTED OFFER

Up to 500,000 shares of Common Stock offered in this offering (the "Employee Shares") have been reserved for certain employees of the Company (the "Employee Directed Offer"). Each such employee may apply to purchase a number of shares of Common Stock within a specified range at the initial public offering price set forth on the cover page of this Prospectus and on the same terms and conditions as the shares being offered to the general public. To the extent any shares are not sold in the Priority Offer (as defined below), such shares may be included in the Employee Directed Offer. In addition, Mr. Stead may purchase 200,000 shares of Common Stock directly from the Company in the Company Offering, with no underwriting discounts or commissions payable thereon. Any purchasers who are affiliates of the Company will represent that any purchases are being made for investment purposes only.

Any shares of Common Stock to be sold in Canada pursuant to the Employee Directed Offer will be sold by the Company directly to its employees in Canada at the initial public offering price set forth on the cover page of this Prospectus. The Company will pay the Underwriters an advisory fee which will be equal to the underwriting discounts and commissions which would have been payable to the Underwriters had such shares been sold by the Underwriters instead of directly by the Company.

In the event that the demand for Employee Shares exceeds the number of shares of Common Stock available under the Employee Directed Offer, the maximum number of Employee Shares available to each individual will be reduced to the extent necessary so that the total subscriptions equal the number of available Employee Shares. Any application for a number of shares that is less than the employee's new maximum individual application size will be unaffected thereby.

PRIORITY OFFER

Up to 1,750,000 of the shares of Common Stock offered in this offering (the "Priority Shares") have been reserved pursuant to a priority allocation offer (the "Priority Offer"). The Priority Offer is being made to certain customers and vendors of the Company, to certain other individuals, including certain employees of Ingram Industries and Ingram Entertainment, and to Ingram Industries. Ingram Industries may purchase approximately 250,000 shares of Common Stock in connection with its obligations under certain deferred compensation plans which relate to the performance of the Common Stock. Each other such person may apply to purchase a number of shares of Common Stock within a range based on certain individual factors relating to such person at the initial public offering price set forth on the cover page of this Prospectus and on the same terms and conditions as the shares being offered to the general public. Any purchasers who are affiliates of the Company will represent that any purchases are being made for investment purposes only.

In the event that the demand for Priority Shares exceeds the number of shares of Common Stock available under the Priority Offer, the maximum number of Priority Shares available to each purchaser other than Ingram Industries will be reduced to the extent necessary so that the total subscriptions equal the number of available Priority Shares. Any application for a number of shares that is less than the applicant's new maximum individual application size will be unaffected thereby.

CERTAIN TRANSACTIONS

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

Additionally, Ingram Industries has provided a large portion of the debt financing required by the Company in connection with its expansion. As of December 31, 1994, December 30, 1995, and September 28, 1996, $449.4 million, $673.8 million, and $479.7 million, respectively, was outstanding to Ingram Industries. Interest on such debt has been charged based on Ingram Industries' domestic weighted average cost of funds. See Note 6 of Notes to Consolidated Financial Statements. In connection with the Split-Off, substantially all of the debt facilities of Ingram Industries guaranteed by the Company will be assumed by the Company in satisfaction of amounts due to Ingram Industries. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources."

The Company leases certain office space near Buffalo, New York from a partnership owned by certain members of the Ingram family. The lease agreement expires January 31, 2013 and requires annual rental payments of approximately $1.6 million. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources." The Company currently subleases its facilities in Santa Ana, California and Harrisburg, Pennsylvania from Ingram Industries pursuant to a sublease which expires March 1, 2007. The sublease agreement requires annual rental payments of approximately $2.1 million. In connection with the Reorganization, the Company intends to acquire ownership of these facilities for an aggregate amount of approximately $22.6 million, utilizing borrowings under the Credit Facility. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources." The Company's lease for its distribution center in Millington, Tennessee is guaranteed by Ingram Industries. This guarantee provides for the release of Ingram Industries' guarantee upon satisfaction by the Company of certain financial requirements specified in the guarantee including consummation of an initial public offering of at least $300 million. Certain of the Company's other leases are guaranteed by Ingram Industries. The Company anticipates that such guarantees will be released in connection with the Split-Off.

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

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

THE SPLIT-OFF AND THE REORGANIZATION

Immediately prior to the closing of this offering, Ingram Industries will consummate the Split-Off. The consummation of the Split-Off is a non-waiveable condition to the closing of this offering. The Company, Ingram Industries, and Ingram Entertainment have also entered into certain agreements to effect the Reorganization. The following is a summary of certain of the material terms of the Split-Off.

THE SPLIT-OFF

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

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

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

The Ingram Family Stockholders will be required to vote their shares of Common Equity for the election of the Designated Nominees. In addition, certain types of corporate transactions, including transactions involving the potential sale or merger of the Company; the issuance of additional equity, warrants, or options;

acquisitions involving aggregate consideration in excess of 10% of the Company's stockholders' equity; any guarantee of indebtedness of an entity other than a subsidiary of the Company exceeding 5% of the Company's stockholders' equity; and the incurrence of indebtedness in a transaction which could reasonably be expected to reduce the Company's investment rating (i) lower than one grade below the rating in effect immediately following this offering or (ii) below investment grade, may not be entered into without the written approval of at least a majority of the voting power deemed to be held (for purposes of the Board Representation Agreement) by certain of the Ingram Family Stockholders, acting in their sole discretion.

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

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

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

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

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

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

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

THE REORGANIZATION

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

Pursuant to a reorganization agreement (the "Reorganization Agreement"), each Ingram Company has agreed to retain or assume, at the time of the Reorganization, certain liabilities and obligations, including the following: (i) liabilities and obligations incurred by such Ingram Company (other than certain general corporate level liabilities of Ingram Industries) with respect to periods ending on or prior to the closing of the Split-Off, other than liabilities or obligations arising as a result of any intentional act which is tortious or as a result of any illegal act (each, a "Designated Action") committed by (x) a corporate officer of Ingram Industries (except for actions that are believed by such person to be in furtherance of his duties as an officer or employee of the Company, Ingram Entertainment, or their respective subsidiaries, or the other subsidiaries or business operating units of Ingram Industries), (y) any other employee of Ingram Industries whose responsibilities are not primarily associated with the Company, Ingram Entertainment, or their respective subsidiaries, or the other subsidiaries or business operating units of Ingram Industries or (z) an employee (other than general corporate level employees of Ingram Industries) of any other Ingram Company; (ii) liabilities and obligations (other than general corporate level liabilities of Ingram Industries) incurred by any other Ingram Company with respect to periods ending on or prior to the closing of the Split-Off as a result of any Designated Action committed by an employee of any such Ingram Company or certain subsidiaries or business operating units of such Ingram Company; (iii) in the case of Ingram Industries, certain general corporate level liabilities and obligations up to an aggregate of $100,000 incurred by Ingram Industries with respect to certain periods ending on or prior to the closing of the Split-Off and recorded under Ingram Industries' internal accounting system as "home office" liabilities, to the extent that such liabilities and obligations are extraordinary in nature and arise out of the ordinary course of business and were not accrued on

Ingram Industries' year end 1995 balance sheet; (iv) specified liabilities and obligations related to certain asset dispositions and the settlement of certain claims; and (v) liabilities and obligations incurred by such Ingram Company with respect to periods beginning after the closing of the Split-Off. In addition, certain contingent assets or liabilities, as well as fees and costs incurred in connection with the Split-Off, will be shared 23.01% by Ingram Industries, 72.84% by the Company, and 4.15% by Ingram Entertainment. These contingent liabilities include (i) liabilities and obligations arising as a result of any Designated Action committed by a corporate officer of Ingram Industries (except for actions that are believed by such person to be in furtherance of his duties as an officer or employee of the Company, Ingram Entertainment, or their respective subsidiaries or other designated affiliates, or the other subsidiaries or designated affiliates of Ingram Industries), or any other employee of Ingram Industries whose responsibilities are not primarily associated with the Company, Ingram Entertainment, or their respective subsidiaries, or the other subsidiaries or business operating units of Ingram Industries; (ii) certain general corporate level liabilities and obligations, if the aggregate of such liabilities and obligations incurred by Ingram Industries exceeds $100,000, incurred by Ingram Industries with respect to periods ending on or prior to the closing of the Split-Off and recorded under Ingram Industries' internal accounting system as "home office" liabilities, to the extent that such liabilities and obligations are extraordinary and non-recurring in nature and arise out of the ordinary course of business and were not accrued on Ingram Industries' 1995 balance sheet; (iii) certain liabilities and obligations incurred by Ingram Industries in respect of specified individuals pursuant to certain deferred compensation plans of Ingram Industries; and (iv) assets, liabilities, and obligations arising in connection with certain specified asset dispositions. The Company will not be responsible for any liabilities except to the extent that the Company's share of such liabilities, fees or costs and certain other amounts (net of any contingent assets) exceeds, in the aggregate, $20,778,000. The Company is not currently aware of any such liabilities, fees or costs that will require any further payment by the Company (other than those which will be satisfied by a dividend, if any, to be paid to stockholders of the Company in connection with and prior to the Split-Off, which dividend, if paid, is not expected to be material in relation to the Company's stockholders' equity or cash available for operations). There can be no assurance that any further payment, which could be material, will not be required in the future.

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

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

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

In connection with the Reorganization, the Ingram Companies will enter into a tax sharing and tax services agreement (the "Tax Sharing Agreement"). Under the Tax Sharing Agreement, the Company agrees that it will be liable for (i) its allocable share of the consolidated federal income tax liability and any consolidated state income tax liability for the year that includes the Split-Off and (ii) generally, 72.84% of any adjustment in excess of reserves already established by Ingram Industries for federal or state income tax

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

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

CONDITIONS TO THE SPLIT-OFF

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

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information, as of September 28, 1996, as adjusted for (i) the Split-Off and (ii) the issuance of the Common Stock in the Combined Offering as if such transactions had occurred on September 28, 1996, with respect to the beneficial ownership of each class of the Common Equity by (a) each person known by the Company to own beneficially more than five percent of the outstanding shares of either class of the Common Equity; (b) each director; (c) each of the Named Executive Officers; and (d) all executive officers and directors of the Company as a group. See "Management" and "Certain Transactions."

	CLASS B COMMON STOCK		COMMON STOCK		COMMON EQUITY
NAME	SHARES BENEFICIALLY OWNED	PERCENTAGE OF CLASS	SHARES BENEFICIALLY OWNED	PERCENTAGE OF CLASS	PERCENTAGE OF TOTAL VOTING POWER
E. Bronson Ingram QTIP Marital Trust(1)(2)....	69,099,259	62.9%	--	--	61.8%
Ingram Thrift Plan(1).....	10,007,000	9.1	--	--	8.9
David B. Ingram(1)(2).....	72,377,210(3)(4)	65.9	13,750(5)(6)	*	64.7
Robin Ingram Patton(1)(2).....	71,646,916(3)(4)	65.2	--(6)	--	64.0
Orrin H. Ingram(1)(2).....	73,157,670(3)(4)	66.6	56,250(5)(6)	*	65.4
Roy E. Claverie(1).....	10,859,083(3)(7)	9.9	150,000(5)(6)	*	9.7
SunTrust Banks, Inc.(8).....	12,115,391	11.0	--(6)	--	10.8
Jerre L. Stead.....	--	--	400,000(9)	2.0	*
Jeffrey R. Rodek.....	285,000	*	--	--	*
David R. Dukes.....	65,000	*	73,279(5)	*	*
Sanat K. Dutta.....	85,000	*	37,412(5)	*	*
John Wm. Winkelhaus, II.....	85,000	*	42,560(5)	*	*
Martha R. Ingram(2).....	83,740,788(3)(4)	76.2	--(6)	--	74.9
John R. Ingram(2).....	71,875,978(3)(4)	65.4	29,500(5)(6)	*	64.3
Philip M. Pfeffer.....	1,972,476(4)	1.8	21,250(5)	*	1.8
J. Phillip Samper.....	--	--	--	--	--
Joe B. Wyatt.....	--	--	193,065(5)	*	*
All executive officers and directors as a group (23 persons)(2)(10).....	91,067,943(3)(4)	82.9	1,149,577(5)(6)	5.4	81.5
Linwood A. (Chip) Lacy, Jr.....	1,390,062	1.3	110,500(5)	*	1.3

- ---

* Less than one percent.

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

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

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

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

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

(6) Excludes approximately 250,000 shares of Common Stock that may be purchased by Ingram Industries in this offering. As principal stockholders of Ingram Industries, the indicated stockholders may be deemed to be beneficial

owners of the shares held by Ingram Industries.

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

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

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

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

DESCRIPTION OF CAPITAL STOCK

The authorized capital stock of the Company consists of 265,000,000 shares of Class A Common Stock, par value $0.01 per share, of which 20,200,000 shares will be issued and outstanding upon the closing of the Combined Offering (assuming no exercise of the U.S. Underwriters' over-allotment option), and 135,000,000 shares of Class B Common Stock, par value $0.01 per share, of which 109,813,762 shares will be issued and outstanding upon the closing of the Combined Offering. In addition, the Company's Certificate of Incorporation (the "Certificate of Incorporation") authorizes the issuance by the Company of up to 1,000,000 shares of preferred stock, par value $0.01 per share (the "Preferred Stock"), on terms determined by the Company's Board of Directors. The following description is a summary of the capital stock of the Company and is subject to and qualified in its entirety by reference to the provisions of the Certificate of Incorporation and the Amended and Restated Bylaws (the "Bylaws") of the Company, which are included as exhibits to the Registration Statement of which this Prospectus forms a part.

COMMON EQUITY

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

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

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

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

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

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

CONVERSION. The Common Stock has no conversion rights.

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

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

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

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

PREFERRED STOCK

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

LIMITATION OF LIABILITY; INDEMNIFICATION

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

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

As a result of this provision, the Company and its stockholders may be unable to obtain monetary damages from a director for breach of his duty of care. Although stockholders may continue to seek injunctive or other equitable relief for an alleged breach of fiduciary duty by a director, stockholders may not have any effective remedy against the challenged conduct if equitable remedies are unavailable. The Company also reserves the right to purchase and maintain directors' and officers' liability insurance.

OTHER CERTIFICATE OF INCORPORATION AND BYLAW PROVISIONS

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

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

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

The number of directors which shall constitute the whole Board of Directors shall be fixed by resolution of the Board of Directors. The number of directors shall in no event be less than seven nor more than nine; provided, however, that when the Board of Directors is expanded to eight directors, it may not be subsequently reduced in size. The size of the initial Board is fixed at seven members, but will be increased to eight or nine in accordance with the Board Representation Agreement. The vote of a majority of the entire Board is required for all actions of the Board. The directors shall be elected at the annual meeting of the stockholders, except for filling vacancies. Directors may be removed with the approval of the holders of a majority of the Company's voting power present and entitled to vote at a meeting of stockholders. Vacancies and newly created directorships on the Board of Directors resulting from any increase in the number of directors may be filled by a majority of the directors then in office, although less than a quorum, a sole remaining director, or the holders of a majority of the voting power present and entitled to vote at a meeting of stockholders. So long as the Ingram Family Stockholders and their permitted transferees own at least 25,000,000 shares of the Common Equity, the Bylaws will provide for the appointment of the Designated Nominees.

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

SECTION 203 OF THE DGCL

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

TRANSFER AGENT

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

SHARES ELIGIBLE FOR FUTURE SALE

Upon the closing of the Combined Offering, the Company will have outstanding an aggregate of 20,200,000 shares of Common Stock (23,200,000 shares if the U.S. Underwriters' over-allotment option is exercised in full), and 109,813,762 shares of Class B Common Stock. Of the total outstanding shares of Common Equity, only the shares of Common Stock sold in the Combined Offering will be freely tradable without restriction or further registration under the Securities Act, unless purchased by "affiliates" of the Company, as that term is defined in Rule 144 under the Securities Act (which sales would be subject to certain volume limitations and other restrictions described below).

The remaining shares of Common Equity held by existing stockholders upon completion of this offering will be "restricted securities" as that term is defined in Rule 144 under the Securities Act. In general, under Rule 144 as currently in effect, a person (or persons whose shares are aggregated), including an affiliate, who has beneficially owned shares for at least two years (including, if the shares are transferred, the holding period of any prior owner except an affiliate) is entitled to sell in "broker's transactions" or to market makers, within any three-month period commencing 90 days after the date of this Prospectus, a number of shares that does not exceed the greater of (i) 1% of the then outstanding shares of such class of the Common Equity (approximately 1,098,138 shares immediately after this offering) or (ii) generally, the average weekly trading volume in such class of the Common Stock during the four calendar weeks preceding the filing of a Form 144 with respect to such sale, and subject to certain other limitations and restrictions. In addition, a person who is not deemed to have been an affiliate of the Company at any time during the three months preceding a sale, and who has beneficially owned the shares proposed to be sold for at least three years, would be entitled to sell such shares under Rule 144(k) without regard to the volume and other requirements described above. Shares of Common Equity that would otherwise be deemed "restricted securities" could be sold at any time through an effective registration statement relating to such shares of Common Equity.

Of the 109,813,762 shares of Class B Common Stock outstanding as of the closing of the Combined Offering, 2,562,400 shares were acquired in July 1996 pursuant to the Employee Offering and the concurrent grant of restricted stock awards, and 107,251,362 shares will have been acquired pursuant to the Split-Off. Under current law, absent registration or an exemption from registration other than Rule 144, (a) no shares of Class B Common Stock will be eligible for sale as of the date of this Prospectus; (b) 107,251,362 shares of Class B Common Stock will be eligible for sale two years from the effective date of the Split-Off, and (c) the 2,562,400 shares of Class B Common Stock sold in the Employee Offering in July 1996 (or granted concurrently therewith), and not repurchased or forfeited, will be eligible for sale upon the later of (i) July 1998 and (ii) for those shares pledged to secure purchase money loans for such shares, two years after the release of such pledge. In addition, the 2,562,400 shares of Class B Common Stock issued in July 1996 are subject to contractual vesting restrictions, which restrictions begin to lapse in April 1998.

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

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

Pursuant to the Thrift Plan Liquidity Agreement, the Thrift Plan has certain rights to require the Company to purchase such shares of Class B Common Stock as are required to be sold by the Thrift Plan in order to comply with the requirements of ERISA or are necessary to fund distributions to Thrift Plan participants, if the Company does not arrange for the registration of such shares. Of the 10,007,000 shares of Class B Common Stock held by the Thrift Plan, 9,207,000 shares will be subject to the lock-up agreements described below.

Immediately following the closing of the Combined Offering, there will be outstanding options exercisable for approximately 21,000,000 shares of Common Equity. Of such options, approximately 2,600,000 Rollover Stock Options and 200,000 options granted to Mr. Stead will be exercisable immediately after the closing of the Combined Offering for shares of Common Stock, although shares issuable upon exercise of approximately 1,000,000 of such options will be subject to the lock-up agreements described below. In addition, approximately 1,350,000 Rollover Stock Options will become exercisable on or prior to May 1, 1997, although the shares issuable upon exercise of approximately 600,000 of such Rollover Stock Options will be subject to the lock-up agreements described below. In addition, on April 1, 1997, options granted to non-officers of the Company pursuant to the 1996 Plan will become exercisable for approximately 700,000 shares of Class B Common Stock, none of which will be subject to the lock-up agreements described below. The Company has filed a registration statement on Form S-1 under the Securities Act covering shares issuable upon exercise of Rollover Stock Options exercisable on or prior to January 1, 1997. The Company also intends to file a registration statement on Form S-8 covering all Rollover Stock Options held by employees of the Company, as well as a registration statement on Form S-8 covering all options granted under the 1996 Plan. Shares registered under such registration statements will, subject to Rule 144 volume limitations applicable to affiliates, be available for sale in the open market, unless such shares are subject to vesting restrictions with the Company or the lock-up agreements described below. See "Management -- 1996 Plan" and "-- Rollover Plan; Incentive Stock Units."

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

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

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

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

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

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

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

DIVIDENDS

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

Under the Proposed Regulations, to obtain a reduced rate of withholding under a treaty, a Non-U.S. Holder would generally be required to provide a Form W-8 certifying such Non-U.S. Holder's entitlement to benefits under a treaty. The Proposed Regulations would also provide special rules to determine whether, for purposes of determining the applicability of a tax treaty, dividends paid to a Non-U.S. Holder that is an entity should be treated as paid to the entity or those holding an interest in that entity.

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

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

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

presumptions under which a Non-U.S. Holder would be subject to backup withholding in the absence of the certification from the holder as to non-U.S. status, regardless of whether dividends are paid to a U.S. or non-U.S. address.

GAIN ON DISPOSITION OF COMMON STOCK

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

INFORMATION REPORTING REQUIREMENTS AND BACKUP WITHHOLDING ON DISPOSITION OF COMMON STOCK

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

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

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

FEDERAL ESTATE TAX

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

UNDERWRITERS

Under the terms and subject to the conditions in an Underwriting Agreement dated the date hereof (the "Underwriting Agreement"), the U.S. Underwriters named below, for whom Morgan Stanley & Co. Incorporated, The Robinson-Humphrey Company, Inc., Alex. Brown & Sons Incorporated, Hambrecht & Quist LLC, and J.C. Bradford & Co. are serving as U.S. Representatives, and the International Underwriters named below, for whom Morgan Stanley & Co. International Limited, The Robinson-Humphrey Company, Inc., Alex. Brown & Sons Incorporated, Hambrecht & Quist LLC, and J.C. Bradford & Co. are serving as International Representatives, have severally agreed to purchase, and the Company has agreed to sell to them severally, the respective number of shares of Common Stock set forth opposite the name of each Underwriter below:

NAME	NUMBER OF SHARES
U.S. Underwriters:	
Morgan Stanley & Co. Incorporated	
The Robinson-Humphrey Company, Inc	
Alex. Brown & Sons Incorporated	
Hambrecht & Quist LLC	
J.C. Bradford & Co.	
Subtotal	16,000,000
International Underwriters:	
Morgan Stanley & Co. International Limited	
The Robinson-Humphrey Company, Inc	
Alex. Brown & Sons Incorporated	
Hambrecht & Quist LLC	
J.C. Bradford & Co.	
Subtotal	4,000,000
Total	20,000,000

The U.S. Underwriters and the International Underwriters are collectively referred to as the "Underwriters." The U.S. Representatives and the International Representatives are collectively referred to as the "Representatives." The Underwriting Agreement provides that the obligations of the several Underwriters to pay for and accept delivery of the shares of Common Stock offered hereby are subject to the approval of certain legal matters by their counsel and to certain other conditions. The Underwriters are obligated to take and pay for all the shares of Common Stock offered hereby (other than those covered by the over-allotment option described below) if any such shares are taken.

Pursuant to the Agreement Between U.S. and International Underwriters, each U.S. Underwriter has represented and agreed that, with certain exceptions set forth below, (a) it is not purchasing any U.S. Shares (as defined below) for the account of anyone other than a United States or Canadian Person (as defined below) and (b) it has not offered or sold, and will not offer or sell, directly or indirectly, any U.S. Shares or distribute any prospectus outside the United States and Canada or to anyone other than a United States or Canadian Person. Pursuant to the Agreement Between U.S. and International Underwriters, each International Underwriter has represented and agreed that, with certain exceptions set forth below, (a) it is not purchasing any International Shares (as defined below) for the account of any United States or Canadian Person and (b) it has not offered or sold, and will not offer or sell, directly or indirectly, any International Shares or distribute any prospectus relating to the International Shares within the United States or Canada or to any United States or Canadian Person. With respect to any of The Robinson-Humphrey Company, Inc., Alex. Brown & Sons Incorporated, Hambrecht & Quist LLC, and J.C. Bradford & Co., the foregoing representations or agreements (i) made by it in its capacity as a U.S. Underwriter shall apply only to shares of Common Stock purchased by it in its capacity as a U.S. Underwriter, (ii) made by it in its capacity as an International Underwriter shall apply only to shares of Common Stock purchased by it in its capacity as an International Underwriter, and (iii) shall not restrict its ability to distribute any prospectus relating to the shares of Common Stock to any person. The foregoing limitations do not apply to stabilization transactions or to certain transactions specified in the Agreement Between U.S. and International Underwriters. As used herein, "United States or Canadian Person" means any national or resident of the United States or Canada, or any corporation, pension, profit-sharing or other trust or other entity organized under the laws of the United States or Canada or of any political subdivision thereof (other than a branch located outside the United States and Canada of any United States or Canadian Person) and includes any United States or Canadian branch of a person who is otherwise not a United States or Canadian Person. All shares of Common Stock to be purchased by the U.S. Underwriters and the International Underwriters are referred to herein as the "U.S. Shares" and the "International Shares," respectively.

Pursuant to the Agreement Between U.S. and International Underwriters, sales may be made between the U.S. Underwriters and International Underwriters of any number of shares of Common Stock to be purchased pursuant to the Underwriting Agreement as may be mutually agreed. The per share price of any shares so sold shall be the Price to Public set forth on the cover page hereof, in United States dollars, less an amount not greater than the per share amount of the concession to dealers set forth below.

Pursuant to the Agreement Between U.S. and International Underwriters, each U.S. Underwriter has represented that it has not offered or sold, and has agreed not to offer or sell, any shares of Common Stock, directly or indirectly, in Canada in contravention of the securities laws of Canada or any province or territory thereof and has represented that any offer of shares of Common Stock in Canada will be made only pursuant to an exemption from the requirement to file a prospectus in the province or territory of Canada in which such offer is made. Each U.S. Underwriter has further agreed to send to any dealer who purchases from it any shares of Common Stock a notice stating in substance that, by purchasing such shares of Common Stock, such dealer represents and agrees that it has not offered or sold, and will not offer or sell, directly or indirectly, any of such shares of Common Stock in Canada or to, or for the benefit of, any resident of Canada in contravention of the securities laws of Canada or any province or territory thereof and that any offer of shares of Common Stock in Canada will be made only pursuant to an exemption from the requirement to file a prospectus in the province or territory of Canada in which such offer is made, and that such dealer will deliver to any other dealer to whom it sells any of such shares of Common Stock a notice to the foregoing effect.

Pursuant to the Agreement Between U.S. and International Underwriters, each International Underwriter has represented and agreed that (i) it has not offered or sold and during the period of six months after the date hereof will not offer or sell any shares of Common Stock to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing, or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of Public Offers of Securities Regulations 1995 (the "Regulations"); (ii) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 and the Regulations with respect to anything done by it in

relation to the shares of Common Stock offered hereby in, from or otherwise involving the United Kingdom; and (iii) it has only issued or passed on and will only issue or pass on to any person in the United Kingdom any document received by it in connection with the offer of the shares of Common Stock, other than any document which consists of, or is part of, listing particulars, supplementary listing particulars, or any other document required or permitted to be published by listing rules under Article IV of the Financial Services Act 1986, if that person is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1995, or is a person to whom such document may otherwise lawfully be issued or passed on.

Pursuant to the Agreement Between U.S. and International Underwriters, each International Underwriter has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, in Japan or to or for the account of any resident thereof, any of the shares of Common Stock acquired in connection with this offering, except for offers or sales to Japanese International Underwriters or dealers and except pursuant to any exemption from the registration requirements of the Securities and Exchange Law of Japan. Each International Underwriter has further agreed to send to any dealer who purchases from it any of the shares of Common Stock a notice stating in substance that such dealer may not offer or sell any of such shares, directly or indirectly, in Japan or to or for the account of any resident thereof except pursuant to any exemption from the registration requirements of the Securities and Exchange Law of Japan, and that such dealer must send to any other dealer to whom it sells any of such shares of Common Stock a notice to the foregoing effect.

The Underwriters initially propose to offer part of the shares of Common Stock directly to the public at the price to public set forth on the cover page hereof and part to certain dealers at a price that represents a concession not in excess of $ per share under the price to public. The Underwriters may allow, and such dealers may reallow, a concession not in excess of $ per share to other Underwriters or to certain dealers. After the initial offering of the shares of Common Stock, the offering price and other selling terms may from time to time be varied by the Representatives.

Pursuant to the Underwriting Agreement, the Company has granted to the U.S. Underwriters an option, exercisable for 30 days from the date hereof, to purchase up to 3,000,000 additional shares of Common Stock at the price to public set forth on the cover page of this Prospectus, less underwriting discounts and commissions. The U.S. Underwriters may exercise such option solely for the purpose of covering over-allotments, if any, incurred in the sale of the shares of Common Stock offered hereby. To the extent that such option is exercised, each U.S. Underwriter will become obligated, subject to certain conditions, to purchase approximately the same percentage of such additional shares as the number of shares to be purchased and offered by such U.S. Underwriter in the above table bears to the total number of initial shares to be purchased by the U.S. Underwriters.

The Common Stock has been approved for listing, subject to official notice of issuance, on the New York Stock Exchange under the symbol "IM." The Underwriters intend to sell shares of the Common Stock to a minimum of 2,000 beneficial owners in lots of 100 or more so as to meet the distribution requirements of such listing.

At the Company's request, the Underwriters have reserved for sale, at the price to public set forth on the cover page hereof, up to 2,250,000 shares offered hereby for directors, officers, employees, business associates, and related persons of the Company and its subsidiaries. The number of shares of Common Stock available for sale to the general public will be reduced to the extent such persons purchase such reserved shares. Any reserved shares which are not so purchased will be offered by the Underwriters to the general public on the same basis as the other shares offered hereby. See "Employee and Priority Offers."

The Company and its directors and executive officers, and certain stockholders of the Company, have agreed that they will not (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right, or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such

transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise, for a period of 180 days after the date of this Prospectus, without the prior written consent of Morgan Stanley & Co. Incorporated, other than (i) the sale to the Underwriters of any shares of Common Stock pursuant to the Underwriting Agreement, (ii) the grant of options or issuance of stock upon the exercise of outstanding stock options pursuant to the Company's stock option plans or (iii) an exception for the Thrift Plan allowing for the sale of up to 800,000 shares. See "Shares Eligible for Future Sale." Morgan Stanley & Co. Incorporated has informed the Company that it has no present intention to provide a waiver from the 180-day lock-up period for the Company and its directors, executive officers and stockholders who have agreed to such lock-ups.

The Representatives have informed the Company that the Underwriters do not intend sales to discretionary accounts to exceed five percent of the total number of shares of Common Stock offered by them.

The Company and the Underwriters have agreed in the Underwriting Agreement to indemnify each other against certain liabilities, including liabilities under the Securities Act.

From time to time each of Morgan Stanley & Co. Incorporated, The Robinson-Humphrey Company, Inc., and J.C. Bradford & Co. has provided, and continues to provide, investment banking services to Ingram Industries and the Company.

PRICING OF OFFERING

Prior to this offering, there has been no public market for the shares of Common Stock of the Company. Consequently, the initial public offering price will be determined by negotiations between the Company and the Representatives. Among the factors considered in determining the initial public offering price will be the Company's record of operations, the Company's current financial condition and future prospects, the experience of its management, the economics of the industry in general, the general condition of the equity securities market, and the market prices of similar securities of companies considered comparable to the Company. There can be no assurance that a regular trading market for the shares of Common Stock will develop after this offering or, if developed, that a public trading market can be sustained. There can be no assurance that the prices at which the Common Stock will sell in the public market after this offering will not be lower than the price at which it is issued by the Underwriters in this offering.

LEGAL MATTERS

Certain legal matters with respect to the Common Stock offered hereby will be passed upon for the Company by Davis Polk & Wardwell, New York, New York and for the Underwriters by Wilson Sonsini Goodrich & Rosati, Palo Alto, California.

EXPERTS

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

ADDITIONAL INFORMATION

Prior to this offering, the Company has not been subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-1 (together with any amendments thereto, the "Registration Statement") under the Securities Act of 1933, as amended, with respect to the shares of Common Stock being offered hereby. This Prospectus, which is part of the Registration Statement, does not contain all of the information set forth in the Registration Statement and the exhibits and schedules thereto, certain items of which are omitted as permitted by the Rules and Regulations of the Commission. Statements contained in this Prospectus as to the contents of any contract or other document referred to herein are not necessarily complete, and in each instance in which a copy of such contract or other document has been filed as an exhibit to the Registration Statement, reference is made to such copy and each such statement is qualified in all respects by such reference.

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

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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

REPORT OF INDEPENDENT ACCOUNTANTS

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

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

PRICE WATERHOUSE LLP

Nashville, Tennessee
February 29, 1996, except

Note 12 as to which the date is September 9, 1996

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

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

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

See accompanying notes to these consolidated financial statements.

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

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

	FISCAL YEAR			THIRTY-NINE WEEKS ENDED	
	1993	1994	1995	SEPTEMBER 30, 1995	SEPTEMBER 28, 1996
				(UNAUDITED)	
Net sales	$4,044,169	$5,830,199	$8,616,867	$6,070,722	$8,474,710
Cost of sales	3,714,527	5,391,224	8,011,181	5,648,210	7,900,223
Gross profit	329,642	438,975	605,686	422,512	574,487
Expenses:					
Selling, general and administrative	225,047	296,330	415,344	296,079	386,492
Charges allocated from Ingram Industries	1,567	2,355	3,461	2,561	3,259
Non-cash compensation charge					8,859
	226,614	298,685	418,805	298,640	398,610
Income from operations	103,028	140,290	186,881	123,872	175,877
Other (income) expense:					
Interest income	(407)	(937)	(3,479)	(3,049)	(1,188)
Interest expense	5,003	8,744	13,451	8,918	10,608
Interest expense charged by Ingram Industries	16,089	24,189	32,606	22,977	30,912
Net foreign currency exchange loss	111	6,873	7,751	6,572	447
Other	(623)	716	1,936	405	1,689
	20,173	39,585	52,265	35,823	42,468
Income before income taxes and minority interest	82,855	100,705	134,616	88,049	133,409
Provision for income taxes	31,660	39,604	53,143	34,755	55,459
Income before minority interest	51,195	61,101	81,473	53,294	77,950
Minority interest	840	(2,243)	(2,834)	(2,986)	383
Net income	$ 50,355	$ 63,344	$ 84,307	$ 56,280	$ 77,567
Earnings per share	$ 0.42	$ 0.53	$ 0.70	$ 0.47	$ 0.64

See accompanying notes to these consolidated financial statements.

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

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

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

See accompanying notes to these consolidated financial statements.

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

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

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

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

See accompanying notes to these consolidated financial statements.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

NOTE 1 -- ORGANIZATION AND BASIS OF PRESENTATION

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

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

NOTE 2 -- SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Consolidation

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

Fiscal Year

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

Accounting Estimates

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

Cash

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

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

Revenue Recognition

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

Vendor Programs

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

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

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

Inventories

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

Property and Equipment

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

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

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

Goodwill

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

Income Taxes

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

Foreign Currency Translation

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

Financial Instruments

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

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

Concentration of Credit Risk

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

Derivative Financial Instruments

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

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

The notional amount of forward exchange contracts and options is the amount of foreign currency bought or sold at maturity. The notional amount of currency interest rate swaps is the underlying principal and currency amounts used in determining the interest payments exchanged over the life of the swap. Notional amounts are indicative of the extent of the Company's involvement in the various types and uses of derivative financial instruments and are not a measure of the Company's exposure to credit or market risks through its

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

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

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

Derivative financial instruments comprise the following:

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

Employee Benefits

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

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

Earnings Per Share

Historical earnings per share data reflects the Company's capital structure as a result of the formation of the Delaware corporation in preparation for the Split-Off described in Notes 1 and 12. Earnings per share is determined based on the number of shares the Company is expected to have after the Split-Off (107,251,362) in addition to all dilutive common stock and common stock equivalent shares issued within 12 months of the public offering. Pursuant to the Securities and Exchange Commission Staff Accounting Bulletins and Staff policy, such shares are treated as if they were outstanding for all periods presented using the treasury stock method (13,302,151). The number of common shares used to compute the earnings per share amounts for each of the three fiscal years in the period ended December 30, 1995 and the thirty-nine weeks ended September 30, 1995 and September 28, 1996 was 120,553,513, 120,553,513, and 120,890,711, respectively.

Supplementary Earnings Per Share

Supplementary per share data (unaudited) is presented to give effect to the repayment of certain indebtedness assumed by the Company in satisfaction of amounts due to Ingram Industries. Net income is adjusted by $13,519 and $9,394 for 1995 and the thirty-nine weeks ended September 28, 1996, respectively, to reflect the reduction in interest expense (net of tax) related to the indebtedness assumed by the Company.

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

Unaudited supplementary pro forma earnings per share for the fiscal periods ended December 30, 1995 and September 28, 1996 is $0.69 and $0.62, respectively.

Interim Financial Information

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

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

NOTE 3 -- ACQUISITIONS

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

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

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

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

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

NOTE 4 -- ACCOUNTS RECEIVABLE

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

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

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

NOTE 5 -- PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

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

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

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

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

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

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

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

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

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

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

Long-term debt consists of the following:

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

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

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

NOTE 7 -- INCOME TAXES

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

The provision for income taxes consists of the following:

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

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

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

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

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

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

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

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

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

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

NOTE 8 -- COMMITMENTS AND CONTINGENCIES

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

NOTE 9 -- SEGMENT INFORMATION

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

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

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

NOTE 10 -- TRANSACTIONS WITH RELATED PARTIES

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

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

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

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

NOTE 11 -- STOCK OPTIONS AND INCENTIVE PLANS

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

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

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

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

NOTE 12 -- SUBSEQUENT EVENTS

Formation of Ingram Micro Inc.

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

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

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

Key Employee Stock Purchase Plan

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

1996 Equity Incentive Plan

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

Split-Off, Reorganization and Exchange

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

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

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

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

LOGO

[ALTERNATE PAGE FOR INTERNATIONAL PROSPECTUS]

PROSPECTUS (Subject to Completion)

Issued October 25, 1996

20,000,000 Shares

LOGO

CLASS A COMMON STOCK

OF THE 20,000,000 SHARES OF CLASS A COMMON STOCK (THE "COMMON STOCK") OFFERED HEREBY, 4,000,000 SHARES ARE BEING OFFERED INITIALLY OUTSIDE THE UNITED STATES AND CANADA BY THE INTERNATIONAL UNDERWRITERS, AND 16,000,000 SHARES ARE BEING OFFERED INITIALLY IN THE UNITED STATES AND CANADA BY THE U.S. UNDERWRITERS. SEE "UNDERWRITERS." UP TO 2,250,000 OF THE SHARES OF COMMON STOCK OFFERED HEREBY ARE BEING RESERVED FOR SALE TO CERTAIN INDIVIDUALS AND INGRAM INDUSTRIES INC. SEE "EMPLOYEE AND PRIORITY OFFERS." ALL SUCH SHARES ARE BEING OFFERED ON THE SAME TERMS AND CONDITIONS AS THE SHARES BEING OFFERED TO THE PUBLIC GENERALLY, AND ANY PURCHASERS OF SUCH SHARES WHO ARE AFFILIATES OF THE COMPANY WILL REPRESENT THAT ANY PURCHASES ARE BEING MADE FOR INVESTMENT PURPOSES ONLY. ALL OF THE SHARES OF COMMON STOCK OFFERED HEREBY ARE BEING ISSUED AND SOLD BY THE COMPANY. PRIOR TO THIS OFFERING, THERE HAS BEEN NO PUBLIC MARKET FOR THE COMMON STOCK OF THE COMPANY. IT IS CURRENTLY ESTIMATED THAT THE INITIAL PUBLIC OFFERING PRICE WILL BE BETWEEN $14 AND $16 PER SHARE. SEE "UNDERWRITERS" FOR A DISCUSSION OF THE FACTORS TO BE CONSIDERED IN DETERMINING THE INITIAL PUBLIC OFFERING PRICE. THE COMPANY HAS TWO CLASSES OF AUTHORIZED COMMON STOCK, THE COMMON STOCK OFFERED HEREBY AND THE CLASS B COMMON STOCK (THE "CLASS B COMMON STOCK," AND COLLECTIVELY WITH THE COMMON STOCK, THE "COMMON EQUITY"). THE RIGHTS OF HOLDERS OF COMMON STOCK AND CLASS B COMMON STOCK ARE IDENTICAL EXCEPT FOR VOTING AND CONVERSION RIGHTS AND RESTRICTIONS ON TRANSFERABILITY. HOLDERS OF THE COMMON STOCK ARE ENTITLED TO ONE VOTE PER SHARE, AND HOLDERS OF THE CLASS B COMMON STOCK ARE ENTITLED TO TEN VOTES PER SHARE ON MOST MATTERS SUBJECT TO STOCKHOLDER VOTE. UPON THE CLOSING OF THIS OFFERING, THE INGRAM FAMILY STOCKHOLDERS (AS DEFINED HEREIN) WILL HAVE APPROXIMATELY 80.7% OF THE COMBINED VOTING POWER OF THE COMMON EQUITY (80.5% IF THE U.S. UNDERWRITERS EXERCISE THEIR OVER-ALLOTMENT OPTION IN FULL). THE COMMON STOCK HAS BEEN APPROVED FOR LISTING, SUBJECT TO OFFICIAL NOTICE OF ISSUANCE, ON THE NEW YORK STOCK EXCHANGE UNDER THE SYMBOL "IM."

SEE "RISK FACTORS" BEGINNING ON PAGE 5 FOR A DISCUSSION OF CERTAIN RISKS ASSOCIATED WITH THIS OFFERING.

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

PRICE $ A SHARE

	PRICE TO PUBLIC	UNDERWRITING DISCOUNTS AND COMMISSIONS(1)	PROCEEDS TO COMPANY(2)
Per Share	$	$	$
Total(3)	$	$	$

- ------------

(1) The Company has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

(2) Before deducting expenses payable by the Company estimated at $1,400,000.

(3) The Company has granted to the U.S. Underwriters an option, exercisable within 30 days of the date hereof, to purchase up to an aggregate of 3,000,000 additional Shares at the price to public less underwriting discounts and commissions, for the purpose of covering over-allotments, if any. If the U.S. Underwriters exercise such option in full, the total price to public, underwriting discounts and commissions, and proceeds to Company will be $, $ and $, respectively. See "Underwriters."

The Shares are offered, subject to prior sale, when, as and if accepted by the Underwriters named herein and subject to approval of certain legal matters by Wilson Sonsini Goodrich & Rosati, counsel for the Underwriters. It is expected that delivery of the Shares will be made on or about , 1996 at the office of Morgan Stanley & Co. Incorporated, New York, New York, against payment therefor in immediately available funds.

MORGAN STANLEY & CO.
International
THE ROBINSON-HUMPHREY COMPANY, INC.

ALEX. BROWN & SONS
INTERNATIONAL
HAMBRECHT & QUIST

J.C. BRADFORD & CO.

, 1996

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

[ALTERNATE PAGE FOR COMPANY PROSPECTUS]

PROSPECTUS (Subject to Completion)

Issued October 25, 1996

200,000 Shares

LOGO

CLASS A COMMON STOCK

OFFERING TO THE COMPANY'S

CHIEF EXECUTIVE OFFICER AND

CHAIRMAN OF THE BOARD OF DIRECTORS

THE SHARES ARE BEING OFFERED DIRECTLY BY THE COMPANY. COMMON STOCK SOLD PURSUANT TO THIS OFFERING WILL BE ISSUED BY THE COMPANY AND WILL NOT BE UNDERWRITTEN OR SUBJECT TO THE ARRANGEMENTS DESCRIBED HEREIN UNDER "UNDERWRITING." ACCORDINGLY, THE INFORMATION IN THE PUBLIC PROSPECTUS ON THE COVER PAGE AND IN THE CAPTION "UNDERWRITING" IS NOT APPLICABLE. ALL PROCEEDS FROM THIS OFFERING WILL BE PAYABLE TO THE COMPANY AND WILL BE USED FOR GENERAL CORPORATE PURPOSES. THIS OFFERING IS CONDITIONED UPON THE COMPLETION OF THE COMPANY'S INITIAL PUBLIC OFFERING AND IS EXPECTED TO BE CONSUMMATED CONCURRENTLY WITH SUCH INITIAL PUBLIC OFFERING.

SEE "RISK FACTORS" BEGINNING ON PAGE 5 FOR A DISCUSSION OF CERTAIN RISKS ASSOCIATED WITH THIS OFFERING.

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

PRICE $ A SHARE

, 1996

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

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

Securities and Exchange Commission registration fee	$ 112,139
NYSE listing fee	151,100
NASD filing fee	30,500
Printing and engraving expenses	250,000
Accounting fees and expenses	130,000
Legal fees and expenses	600,000
Transfer Agent fees and expenses	20,000
Blue Sky fees and expenses and legal fees	70,000
Miscellaneous	36,261
Total	$1,400,000

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

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

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

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

connection with any such proceeding in advance of its final disposition to the fullest extent authorized by Delaware Law. Article Tenth of the Company's Certificate of Incorporation also provides that the Company may, by action of its Board of Directors, provide indemnification to such of the employees and agents of the Company to such extent and to such effect as the Board of Directors shall determine to be appropriate and authorized by Delaware Law.

Reference is made to the underwriting agreement filed as an Exhibit hereto, pursuant to which the Underwriters will agree to indemnify officers and directors of the Company against certain liabilities under the Securities Act.

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

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

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

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

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) LIST OF EXHIBITS.

1.01	--	Form of Underwriting Agreement*
3.01	--	Form of Certificate of Incorporation of the Registrant+
3.02	--	Form of Bylaws of the Registrant+
3.03	--	Form of Amended and Restated Bylaws of the Registrant
4.01	--	Specimen Certificate for the Class A Common Stock, par value $0.01 per share, of the Registrant
5.01	--	Opinion of Davis Polk & Wardwell
10.01	--	Ingram Micro Inc. Executive Incentive Bonus Plan+
10.02	--	Ingram Micro Inc. Management Incentive Bonus Plan+
10.03	--	Ingram Micro Inc. General Employee Incentive Bonus Plan+
10.04	--	Agreement dated as of December 21, 1994 between the Company and Jeffrey R. Rodek+
10.05	--	Agreement dated as of April 25, 1988 between the Company and Sanat K. Dutta+
10.06	--	Agreement dated as of June 21, 1991 between the Company and John Wm. Winkelhaus, II+
10.07	--	Ingram Micro Inc. Rollover Stock Option Plan+
10.08	--	Ingram Micro Inc. Key Employee Stock Purchase Plan+
10.09	--	Ingram Micro Inc. 1996 Equity Incentive Plan+
10.10	--	Ingram Micro Inc. Amended and Restated 1996 Equity Incentive Plan

10.11	--	Severance Agreement dated as of June 1, 1996 among the Company, Ingram Industries, Linwood A. Lacy, Jr., and NationsBank, N.A., as trustee of the Linwood A. Lacy, Jr. 1996 Irrevocable Trust dated February 1996+
10.12	--	Form of Credit Agreement dated as of October , 1996 among the Company and Ingram European Coordination Center N.V., Ingram Micro Singapore Pte Ltd., and Ingram Micro Inc., as Borrowers and Guarantors, certain financial institutions, as the Lenders, NationsBank of Texas, N.A., as Administrative Agent for the Lenders and The Bank of Nova Scotia as Documentation Agent for the Lenders
10.13	--	Form of Amended and Restated Reorganization Agreement dated as of October 17, 1996 among the Company, Ingram Industries, and Ingram Entertainment
10.14	--	Form of Registration Rights Agreement to be dated as of the closing date of the Split-Off among the Company and the persons listed on the signature pages thereof+
10.15	--	Form of Board Representation Agreement to be dated as of the closing date of the Split-Off among the Company and the persons listed on the signature pages thereof
10.16	--	Form of Thrift Plan Liquidity Agreement to be dated as of the closing date of the Split-Off among the Company and the Ingram Thrift Plan+
10.17	--	Form of Tax Sharing and Tax Services Agreement to be dated as of the closing date of the Split-Off among the Company, Ingram Industries, and Ingram Entertainment
10.18	--	Form of Master Services Agreement, to be dated as of the closing date of the Split-Off between the Company and Ingram Industries
10.19	--	Form of Employee Benefits Transfer and Assumption Agreement to be dated as of the closing date of the Split-Off among the Company, Ingram Industries, and Ingram Entertainment
10.20	--	Form of Data Center Services Agreement to be dated as of the closing date of the Split-Off among the Company, Ingram Book Company, and Ingram Entertainment+
10.21	--	Form of Amended and Restated Exchange Agreement dated as of October 17, 1996 among the Company, Ingram Industries, Ingram Entertainment and the other parties thereto
10.22	--	Agreement dated as of August 26, 1996 between the Company and Jerre L. Stead+
10.23	--	Definitions for Ingram Funding Master Trust Agreements
10.24	--	Asset Purchase and Sale Agreement dated as of February 10, 1993 between Ingram Industries and Ingram Funding
10.25	--	Pooling and Servicing Agreement dated as of February 10, 1993 among Ingram Funding, Ingram Industries and Chemical Bank
10.26	--	Amendment No. 1 to the Pooling and Servicing Agreement dated as of February 12, 1993, the Asset Purchase and Sale Agreement dated as of February 12, 1993, and the Liquidity Agreement dated as of February 12, 1993
10.27	--	Certificate Purchase Agreement dated as of July 23, 1993
10.28	--	Schedule of Certificate Purchase Agreements
10.29	--	Series 1993-1 Supplement to Ingram Funding Master Trust Pooling and Servicing Agreement dated as of July 23, 1993
10.30	--	Schedule of Supplements to Ingram Funding Master Trust Pooling and Servicing Agreement dated as of July 23, 1993
10.31	--	Letter of Credit Reimbursement Agreement dated as of February 10, 1993
10.32	--	Liquidity Agreement dated as of February 10, 1993
10.33	--	Amendment No. 2 to the Pooling and Servicing Agreement dated as of February 12, 1993, the Asset Purchase and Sale Agreement dated as of February 12, 1993, and the Liquidity Agreement dated as of February 12, 1993*

10.34	--	Agreement dated as of October 10, 1996 between the Company and Michael J. Grainger
21.01	--	Subsidiaries of the Registrant
23.01	--	Consent of Price Waterhouse LLP
23.02	--	Consent of Davis Polk & Wardwell (included in their opinion filed as Exhibit 5.01)
24.01	--	Powers of Attorney of certain officers and directors of the Registrant+
24.02	--	Power of Attorney of Jerre L. Stead+
27.01	--	Financial Data Schedule (EDGAR version only)
99.01	--	Consent of J. Phillip Samper
99.02	--	Consent of Joe B. Wyatt

- ---------------
 * To be filed by amendment.
 + Previously filed.

(b) FINANCIAL STATEMENT SCHEDULES

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

ITEM 17. UNDERTAKINGS.

The undersigned registrant hereby undertakes that:

(1) It will provide to the underwriters at the closing specified in the underwriting agreements certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

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

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

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

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Ingram Micro Inc. has duly caused this Amendment No. 3 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Santa Ana, State of California, on this 24th day of October, 1996.

INGRAM MICRO INC.

By: /s/ MICHAEL J. GRAINGER
Name: Michael J. Grainger
Title: Chief Financial Officer

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS AMENDMENT NO. 3 TO THE REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES AND ON THE DATES INDICATED.

SIGNATURE	TITLE	DATE
* Jerre L. Stead	Chief Executive Officer (Principal Executive Officer); Chairman of the Board of Directors	October 24, 1996
/s/ MICHAEL J. GRAINGER Michael J. Grainger	Executive Vice President; Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	October 24, 1996
* Jeffrey R. Rodek	President and Chief Operating Officer; Director	October 24, 1996
* David R. Dukes	Vice Chairman; Director	October 24, 1996
* Martha R. Ingram	Director	October 24, 1996
* John R. Ingram	Director	October 24, 1996
* David B. Ingram	Director	October 24, 1996
* Philip M. Pfeffer	Director	October 24, 1996

* Pursuant to Power of Attorney previously filed with the Commission.

/s/ MICHAEL J. GRAINGER Michael J. Grainger	Attorney-in-Fact	October 24, 1996

INGRAM MICRO INC.

SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS
(IN THOUSANDS)

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	CHARGED TO COSTS AND EXPENSES	OTHER(*)	DEDUCTIONS	BALANCE AT END OF YEAR
Allowance for doubtful accounts receivable and sales returns:					
1995	$ 25,668	$ 24,168	$ 673	$(19,718)	$ 30,791
1994	18,594	20,931	(4)	(13,853)	25,668
1993	12,928	17,492	2,343	(14,169)	18,594
Inventory obsolescence:					
1995	$ 10,706	$ 13,199	$ 207	$(11,867)	$ 12,245
1994	9,431	9,410	257	(8,392)	10,706
1993	6,076	6,587	121	(3,353)	9,431

- ---

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

EXHIBIT INDEX

EXHIBIT NO.		DESCRIPTION	SEQUENTIAL PAGE NO.
1.01	--	Form of Underwriting Agreement*	
3.01	--	Form of Certificate of Incorporation of the Registrant+	
3.02	--	Form of Bylaws of the Registrant+	
3.03	--	Form of Amended and Restated Bylaws of the Registrant	
4.01	--	Specimen Certificate for the Class A Common Stock, par value $0.01 per share, of the Registrant	
5.01	--	Opinion of Davis Polk & Wardwell	
10.01	--	Ingram Micro Inc. Executive Incentive Bonus Plan+	
10.02	--	Ingram Micro Inc. Management Incentive Bonus Plan+	
10.03	--	Ingram Micro Inc. General Employee Incentive Bonus Plan+	
10.04	--	Agreement dated as of December 21, 1994 between the Company and Jeffrey R. Rodek+	
10.05	--	Agreement dated as of April 25, 1988 between the Company and Sanat K. Dutta+	
10.06	--	Agreement dated as of June 21, 1991 between the Company and John Wm. Winkelhaus, II+	
10.07	--	Ingram Micro Inc. Rollover Stock Option Plan+	
10.08	--	Ingram Micro Inc. Key Employee Stock Purchase Plan+	
10.09	--	Ingram Micro Inc. 1996 Equity Incentive Plan+	
10.10	--	Ingram Micro Inc. Amended and Restated 1996 Equity Incentive Plan	
10.11	--	Severance Agreement dated as of June 1, 1996 among the Company, Ingram Industries, Linwood A. Lacy, Jr., and NationsBank, N.A., as trustee of the Linwood A. Lacy, Jr. 1996 Irrevocable Trust dated February 1996+	
10.12	--	Form of $1,000,000,000 Credit Agreement dated as of October , 1996 among the Company, Ingram European Coordination Center N.V., Ingram Micro Singapore Pte Ltd. and Ingram Micro Inc., as Borrowers and Guarantors, certain financial institutions, as the Lenders, NationsBank of Texas, N.A., as Administrative Agent for the Lenders and The Bank of Nova Scotia as Documentation Agent for the Lenders	
10.13	--	Form of Amended and Restated Reorganization Agreement dated as of October 17, 1996 among the Company, Ingram Industries, and Ingram Entertainment	
10.14	--	Form of Registration Rights Agreement to be dated as of the closing date of the Split-Off among the Company and the persons listed on the signature pages thereof+	
10.15	--	Form of Board Representation Agreement to be dated as of the closing date of the Split-Off among the Company and the persons listed on the signature pages thereof	
10.16	--	Form of Thrift Plan Liquidity Agreement to be dated as of the closing date of the Split-Off among the Company and the Ingram Thrift Plan+	
10.17	--	Form of Tax Sharing and Tax Services Agreement to be dated as of the closing date of the Split-Off among the Company, Ingram Industries, and Ingram Entertainment	
10.18	--	Form of Master Services Agreement to be dated as of the closing date of the Split-Off between the Company and Ingram Industries	
10.19	--	Form of Employee Benefits Transfer and Assumption Agreement to be dated as of the closing date of the Split-Off among the Company, Ingram Industries, and Ingram Entertainment	

EXHIBIT NO.		DESCRIPTION	SEQUENTIAL PAGE NO.
10.20	--	Form of Data Center Services Agreement to be dated as of the closing date of the Split-Off among the Company, Ingram Book Company, and Ingram Entertainment+	
10.21	--	Form of Amended and Restated Exchange Agreement dated as of October 17, 1996 among the Company, Ingram Industries, Ingram Entertainment and the other parties thereto	
10.22	--	Agreement dated as of August 26, 1996 between the Company and Jerre L. Stead+	
10.23	--	Definitions for Ingram Funding Master Trust Agreements	
10.24	--	Asset Purchase and Sale Agreement dated as of February 10, 1993 between Ingram Industries and Ingram Funding	
10.25	--	Pooling and Servicing Agreement dated as of February 10, 1993 among Ingram Funding, Ingram Industries and Chemical Bank	
10.26	--	Amendment No. 1 to the Pooling and Servicing Agreement dated as of February 12, 1993, the Asset Purchase and Sale Agreement dated as of February 12, 1993, and the Liquidity Agreement dated as of February 12, 1993	
10.27	--	Certificate Purchase Agreement dated as of July 23, 1993	
10.28	--	Schedule of Certificate Purchase Agreements	
10.29	--	Series 1993-1 Supplement to Ingram Funding Master Trust Pooling and Servicing Agreement dated as of July 23, 1993	
10.30	--	Schedule of Supplements to Ingram Funding Master Trust Pooling and Servicing Agreement dated as of July 23, 1993	
10.31	--	Letter of Credit Reimbursement Agreement dated as of February 10, 1993	
10.32	--	Liquidity Agreement dated as of February 10, 1993	
10.33	--	Amendment No. 2 to the Pooling and Servicing Agreement dated February 12, 1993, the Asset Purchase and Sale Agreement dated as of February 12, 1993, and the Liquidity Agreement dated as of February 12, 1993*	
10.34	--	Agreement dated as of October 10, 1996 between the Company and Michael J. Grainger	
21.01	--	Subsidiaries of the Registrant	
23.01	--	Consent of Price Waterhouse LLP	
23.02	--	Consent of Davis Polk & Wardwell (included in their opinion filed as Exhibit 5.01)	
24.01	--	Powers of Attorney of certain officers and directors of the Registrant+	
24.02	--	Power of Attorney of Jerre L. Stead+	
27.01	--	Financial Data Schedule (EDGAR version only)	
99.01	--	Consent of J. Phillip Samper	
99.02	--	Consent of Joe B. Wyatt	

- ---

* To be filed by amendment.

\+ Previously filed.

EXHIBIT 21.01

SUBSIDIARIES OF INGRAM MICRO INC.

SUBSIDIARY	STATE/COUNTRY OF INCORPORATION
Ingram Export Company Ltd.	Barbados
Ingram Micro Inc.	Canada
CD Access Inc.	Iowa
Ingram Micro Delaware Inc.	Delaware
Ingram Micro Management Company	Delaware
Ingram Dicom S.A. de C.V.	Mexico
Export Services Inc.	California
Ingram European Coordination Center S.A./N.V.	Belgium
Lifetree France S.A.R.L.	France
Ingram Micro S.A.R.L.	France
Ingram Micro N.V.	Belgium
Ingram Micro B.V.	The Netherlands
Micro Communication Services B.V.	The Netherlands
Ingram Micro S.p.A.	Italy
Ingram Micro GmbH	Germany
Ingram Micro Holdings Limited	United Kingdom
Ingram Micro (UK) Limited	United Kingdom
Mirai Networks Limited	United Kingdom
Metrocom Computer Systems Limited	United Kingdom
Document Technology Limited	United Kingdom
Software Limited	United Kingdom
Ingram Micro Singapore Inc.	California
Ingram Micro Japan Inc.	Delaware
Ingram Micro S.A.	Spain
Ingram Micro AB	Sweden
Ingram Micro A/S	Denmark
Ingram Micro A.S.	Norway
Datateam Norm AB	Sweden
Oy Datateam AB	Finland
Ingram Micro SA/AG	Switzerland
Ingram Micro Malaysia Sdn Bhd	Malaysia
Ingram Micro GmbH Zweigniederlassung Osterreich	Austria
IMI Washington Inc.	Delaware
Ingram Micro Singapore Pte Ltd	Singapore

EXHIBIT 23.01

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in the Prospectus constituting part of this Registration Statement on Form S-1 (333-08453) of our report dated February 29, 1996, except as to Note 12 which is dated as of September 9, 1996, relating to the financial statements of Ingram Micro Inc., which appears in such Prospectus. We also consent to the application of such report to the Financial Statement Schedules for the three years ended December 30, 1995 listed under Item 16(b) of this Registration Statement when such schedules are read in conjunction with the financial statements referred to in our report. The audits referred to in such report also included these schedules. We also consent to the reference to us under the heading "Experts" in such Prospectus.

Price Waterhouse LLP

Nashville, Tennessee

October 22, 1996

5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF INGRAM MICRO INC. FOR THE PERIODS ENDED DECEMBER 30, 1995 AND SEPTEMBER 28, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

12-MOS	9-MOS
DEC-30-1995	DEC-28-1996
JAN-01-1995	DEC-31-1995
DEC-30-1995	SEP-28-1996
56,916	43,196
0	0
1,102,066	1,127,937
30,791	38,069
1,582,922	1,382,122
2,799,616	2,668,498
150,363	212,114
61,237	84,130
2,940,898	2,843,712
1,779,977	1,840,414
0	0
0	0
0	0
1,073	1,074
309,722	364,915
2,940,898	2,843,712
8,616,867	8,474,710
8,616,867	8,474,710
8,011,181	7,900,223
8,429,986	8,298,833
9,687	2,136
0	0
46,057	41,520
134,616	133,409
53,143	55,459
84,307	77,567
0	0
0	0
0	0
84,307	77,567
0.70	0.64
0	0

EXHIBIT 99.01

CONSENT

The undersigned, J. Phillip Samper, hereby consents, pursuant to Rule 438 under the Securities Act of 1933, as amended, to being named in the Registration Statement on Form S-1 (File No. 333-08453) (the "Registration Statement") of Ingram Micro Inc. (the "Registrant") as a person about to become a director of the Registrant, and to the filing of this Consent as an exhibit to the Registration Statement.

/s/ J. PHILLIP SAMPER

J. Phillip Samper

October 24, 1996

EXHIBIT 99.02

CONSENT

The undersigned, Joe B. Wyatt, hereby consents, pursuant to Rule 438 under the Securities Act of 1933, as amended, to being named in the Registration Statement on Form S-1 (File No. 333-08453) (the "Registration Statement") of Ingram Micro Inc. (the "Registrant") as a person about to become a director of the Registrant, and to the filing of this Consent as an exhibit to the Registration Statement.

/s/ JOE B. WYATT

Joe B. Wyatt

October 24, 1996

EXHIBIT 3.03

AMENDED AND RESTATED

BYLAWS OF

INGRAM MICRO INC.

* * * * *

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, commencing with the year 1997, 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 seven nor more than nine; provided, however, that once the Board of Directors is expanded to eight directors, it shall not be contracted to a smaller size. At a time when seven or eight directors comprise the Board of Directors, the Board of Directors may be expanded up to nine members by the affirmative vote of a majority of the seven or eight directors, as the case may be. Such eighth or ninth director shall be Independent, as provided in Section 3(a)(iii) of this Article III and shall be nominated by a majority of the Nominating Committee. After the initial qualification and election of such eighth or ninth director 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 13 of this Article III. The directors shall be elected at the annual meeting of the stockholders, except as provided in this Section 2 or Section 13 of this Article III, and each director so elected (including any such director elected pursuant to Section 13 of this Article III) shall hold office for a term commencing with the election of such director and ending at such time after the next annual meeting of stockholders as such director's successor is elected and qualified or until such director's earlier death, disability, resignation or removal in accordance with these Bylaws or as provided under Delaware Law.

Section 3. Qualifications. (a) Directors shall possess the following qualifications: (i) three individuals who are designated by the Family Stockholders, as hereinafter defined, and who need not be Independent, as hereinafter defined, and may be Family Stockholders (the "Family Directors"); (ii) one individual who is designated by the chief executive officer of the Corporation, who need not be Independent and who may be the chief executive officer of the Corporation (the "Management Director"); and (iii) three (in the case of a Board of Directors consisting of seven

directors), four (in the case of a Board of Directors consisting of eight directors) or five (in the case of a Board of Directors consisting of nine directors) individuals, as the case may be from time to time, who shall be Independent (the "Independent Directors"). Directors need not be stockholders.

(b)(i) As used in these Bylaws, "Independent" means an individual other than an executive officer or other employee of the Corporation or Martha R. Ingram, her descendants (including adopted persons and their descendants) and their respective spouses.

(ii) As used in these Bylaws, "Family Stockholders" means the following and all of their Permitted Transferees (as hereinafter defined):

- QTIP Marital Trust created under the E. Bronson Ingram Revocable Trust Agreement dated January 4, 1995
- Martha R. Ingram
- Orrin H. Ingram, II
- John R. Ingram
- David B. Ingram
- Robin B. Ingram Patton
- E. Bronson Ingram 1995 Charitable Remainder 5% Unitrust
- E. Bronson Ingram 1994 Charitable Lead Annuity Trust.
- Martha and Bronson Ingram Foundation
- Trust for Orrin Henry Ingram, II, under Agreement with E. Bronson Ingram dated October 27, 1967
- Trust for Orrin Henry Ingram, II, under Agreement with E. Bronson Ingram dated June 14, 1968
- Trust for Orrin Henry Ingram, II, under Agreement with Hortense B. Ingram dated December 22, 1975
- The Orrin H. Ingram Irrevocable Trust dated July 9, 1992
- Trust for the Benefit of Orrin H. Ingram established by Martha R. Rivers under Agreement of Trust originally dated April 30, 1982, as amended
- Trust for John Rivers Ingram, under Agreement with E. Bronson Ingram dated October 27, 1967
- Trust for John Rivers Ingram, under Agreement with E. Bronson Ingram dated June 14, 1968
- Trust for John Rivers Ingram, under Agreement with Hortense B. Ingram dated December 22, 1975
- The John R. Ingram Irrevocable Trust dated July 9, 1992
- Trust for the Benefit of John R. Ingram established by Martha R. Rivers under Agreement of Trust originally dated April 30, 1982, as amended
- The John and Stephanie Ingram Family 1996 Generation Skipping Trust
- Trust for David B. Ingram, under Agreement with E. Bronson Ingram dated October 27, 1967
- Trust for David B. Ingram, under Agreement with E. Bronson Ingram dated June 14, 1968
- Trust for David B. Ingram, under Agreement with Hortense B. Ingram dated December 22, 1975
- The David B. Ingram Irrevocable Trust dated July 9, 1992
- Trust for the Benefit of David B. Ingram established by Martha R. Rivers under Agreement of Trust originally dated April 30, 1982, as amended
- David and Sarah Ingram Family 1996 Generation Skipping Trust
- Trust for Robin Bigelow Ingram, under Agreement with E. Bronson Ingram dated October 27, 1967
- Trust for Robin Bigelow Ingram, under Agreement with E. Bronson Ingram dated June 14, 1968
- Trust for Robin Bigelow Ingram, under Agreement with Hortense B. Ingram dated December 22, 1975
- The Robin Ingram Patton Irrevocable Trust dated July 9, 1992
- Trust for the Benefit of Robin B. Ingram established by Martha R. Rivers under Agreement of Trust originally dated April 30, 1982, as amended

(iii) As used in these Bylaws, "Permitted Transferee" means, with

respect to any Family Stockholder, including any Approving Family Stockholder, as hereinafter defined, any of the other Family Stockholders or any of their respective spouses, descendants (including adopted persons and their descendants), estates, affiliates or any trust or other entities for the benefit of any of the foregoing persons, and beneficiaries of the QTIP Marital Trust created under the E. Bronson Ingram Revocable Trust Agreement dated January 4, 1995 upon the death of Martha R. Ingram, whether the transfer occurs voluntarily during life or at death, whether by appointment, will or intestate descent or distribution. Without limiting the generality of the foregoing, transfers from the QTIP Marital Trust created under the E. Bronson Ingram Revocable Trust Agreement dated January 4, 1995 to the Martha and Bronson Ingram Foundation, the Ingram Charitable Fund or any of the other beneficiaries thereof shall be deemed to be transfers to Permitted Transferees.

Section 4. 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 5. 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 6. 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, 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 8 of this Article III or in a waiver of notice thereof signed by any director who chooses to waive the requirement of notice.

Section 7. 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 8. 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 9. Committees. (a) The Board of Directors shall have at least four committees with the designations, qualifications, powers and composition set forth in this Section 9 of Article III, which four committees shall be: (i) an Executive Committee, (ii) a Nominating Committee, (iii) a Compensation Committee, and (iv) an Audit Committee. All committees of the Board of Directors shall act by a majority vote of the entire number of directors which constitute any such committee.

(b) The Executive Committee shall consist of three directors, one of whom shall be a Family Director, one of whom shall be the Management Director and one of whom shall be an Independent Director. 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 Committee; provided, however, that the Executive 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 pursuant to Article V of these Bylaws or 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 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.

(c) The Nominating Committee shall consist of three directors, two of whom shall be Family Directors, and one of whom shall be the Management Director. All nominations of persons for election to the Board of Directors

shall be made by the Nominating Committee, and the Nominating Committee shall name the directors to serve on the Board committees, pursuant to the qualification requirements set forth in Section 3 of this Article III. Subject to the provisions of this Section 9(c), the Nominating Committee shall be appointed by the Board of Directors. The Nominating Committee shall fulfill such other roles, with respect to the filling of vacancies and otherwise, as are set forth in these Bylaws.

(d) The Compensation Committee shall consist of three directors, one of whom shall be a Family Director, and two of whom shall be Independent Directors. The Compensation Committee shall establish the compensation of all executive officers of the Corporation and shall administer all stock option, purchase and equity incentive plans.

(e) The Audit Committee shall consist of at least three directors, at least a majority of whom shall be Independent 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, and (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.

(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 9(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 9(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 9(b), 9(c), 9(d) or 9(e) of this Article III.

Section 10. 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 11. 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 12. 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 13. 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 in the following manner with individuals with the following qualifications: (a) if the vacancy resulted from the death, disability, resignation or removal of a Family Director, the vacancy shall be filled by a person qualifying to be a Family Director as designated by a majority of the remaining Family Directors; (b) if the vacancy resulted from the death, disability, resignation or removal of the Management Director, the vacancy shall be filled by a person qualifying to be a Management Director as designated by the chief executive officer of the Corporation; and (c) if the vacancy resulted from the death, disability, resignation or removal of an Independent Director, the vacancy shall be filled by a person qualifying to be an Independent Director nominated by the Nominating Committee and approved by a majority of the entire Board of Directors then in office. If such vacancy on the Board of Directors also creates a vacancy on any committee thereof, the Nominating Committee shall appoint such replacement director elected in accordance with Sections 9 and 13

of this Article III to fill the committee position or positions held by his or her predecessor. If there are no Family Directors in office (in the case of filling a vacancy previously held by a Family Director), then 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 seven, eight or nine 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 13 of this Article III.

Section 14. 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 13 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 Nominating Committee, and the vacancies thus created shall be filled in accordance with Sections 9 and 13 of this Article III.

Section 15. 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, a president, 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 principal officers of the Corporation shall be elected annually by the Board of Directors at the annual meeting thereof. Each such officer shall hold office until his successor is elected and qualified, or until his earlier death, disability, resignation or removal. The remuneration of all officers of the Corporation shall be fixed by the Board of Directors. 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, any officer may be removed, with or without cause, at any time, by the Board of Directors.

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

ACTIONS REQUIRING CONSENT OF APPROVING FAMILY STOCKHOLDERS

Section 1. Definitions. As used in these Bylaws, the following terms shall have the meanings specified below:

(a) "Approving Family Stockholders" means the following and all of their Permitted Transferees:

- QTIP Marital Trust created under the E. Bronson Ingram Revocable Trust Agreement dated January 4, 1995
- Martha R. Ingram
- Orrin H. Ingram, II

- John R. Ingram
- David B. Ingram
- Robin B. Ingram Patton
- E. Bronson Ingram 1995 Charitable Remainder 5% Unitrust
- Martha and Bronson Ingram Foundation
- Trust for Orrin Henry Ingram, II, under Agreement with E. Bronson Ingram dated October 27, 1967
- Trust for Orrin Henry Ingram, II, under Agreement with E. Bronson Ingram dated June 14, 1968
- Trust for Orrin Henry Ingram, II, under Agreement with Hortense B. Ingram dated December 22, 1975
- The Orrin H. Ingram Irrevocable Trust dated July 9, 1992
- Trust for the Benefit of Orrin H. Ingram established by Martha R. Rivers under Agreement of Trust originally dated April 30, 1982, as amended
- Trust for John Rivers Ingram, under Agreement with E. Bronson Ingram dated October 27, 1967
- Trust for John Rivers Ingram, under Agreement with Hortense B. Ingram dated December 22, 1975
- The John R. Ingram Irrevocable Trust dated July 9, 1992
- Trust for the Benefit of John R. Ingram established by Martha R. Rivers under Agreement of Trust originally dated April 30, 1982, as amended
- The John and Stephanie Ingram Family 1996 Generation Skipping Trust
- Trust for David B. Ingram, under Agreement with Hortense B. Ingram dated December 22, 1975
- The David B. Ingram Irrevocable Trust dated July 9, 1992
- Trust for the Benefit of David B. Ingram established by Martha R. Rivers under Agreement of Trust originally dated April 30, 1982, as amended
- David and Sarah Ingram Family 1996 Generation Skipping Trust
- Trust for Robin Bigelow Ingram, under Agreement with E. Bronson Ingram dated October 27, 1967
- Trust for Robin Bigelow Ingram, under Agreement with Hortense B. Ingram dated December 22, 1975
- The Robin Ingram Patton Irrevocable Trust, dated July 9, 1992
- Trust for the Benefit of Robin B. Ingram established by Martha R. Rivers under Agreement of Trust originally dated April 30, 1982, as amended.

(b) "Approving Voting Power" means, as of any date, the number of votes able to be cast pursuant to this Article V by the Approving Family Stockholders. With respect to any vote pursuant to this Article V, and as of any given date, each Approving Family Stockholder shall be entitled to cast a number of votes equal to (i) the Outstanding Voting Power, as hereinafter defined, of all capital stock of the Corporation owned of record by such Approving Family Stockholder, plus (ii) the attributed voting power set forth in Section 1(c) of this Article V.

(c)(i) Martha R. Ingram shall be attributed and entitled to cast a number of votes equal to the Outstanding Voting Power of all capital stock of the Corporation owned by the Trust for John Rivers Ingram, under an Agreement with E. Bronson Ingram dated June 14, 1968, plus the Outstanding Voting Power of all capital stock of the Corporation owned by the Trust for David B. Ingram, under an Agreement with E. Bronson Ingram dated October 27, 1967, plus the Outstanding Voting Power of all capital stock of the Corporation owned by the Trust for the Benefit of David Bronson Ingram, dated June 14, 1968, plus the Outstanding Voting Power of all capital stock of the Corporation owned by the Trust for Robin Bigelow Ingram, under an Agreement with E. Bronson Ingram dated June 14, 1968;

(ii) Orrin H. Ingram, II shall be attributed and entitled to cast a number of votes equal to twenty-five percent (25%) of the Outstanding Voting Power of all capital stock of the Corporation owned by the E. Bronson Ingram 1994 Charitable Lead Annuity Trust;

(iii) John R. Ingram shall be attributed and entitled to cast a number of votes equal to twenty-five percent (25%) of the Outstanding Voting Power of all capital stock of the Corporation owned by the E. Bronson Ingram 1994 Charitable Lead Annuity Trust;

(iv) David B. Ingram shall be attributed and entitled to cast a

number of votes equal to twenty-five percent (25%) of the Outstanding Voting Power of all capital stock of the Corporation owned by the E. Bronson Ingram 1994 Charitable Lead Annuity Trust; and

(v) Robin B. Ingram Patton shall be attributed and entitled to cast a number of votes equal to twenty-five percent (25%) of the Outstanding Voting Power of all capital stock of the Corporation owned by the E. Bronson Ingram 1994 Charitable Lead Annuity Trust.

(d) "Outstanding Voting Power" means, as of any date, the number of votes able to be cast for the election of directors represented by all the shares of common stock of the Corporation, including the Class A common stock and the Class B common stock, par value $0.01 per share, of the Corporation.

Section 2. Significant Actions. (a) In addition to any vote required by applicable law or the certificate of incorporation, the following actions ("Significant Actions") will not be taken by or on behalf of the Corporation without the written approval of Approving Family Stockholders, acting in their sole discretion, holding at least a majority of the Approving Voting Power held by all of the Approving Family Stockholders:

(i) any sale or other disposition or transfer of all or substantially all of the assets of the Corporation (considered together with its subsidiaries);

(ii) any merger, consolidation or share exchange involving the Corporation, other than mergers effected for administrative reasons of subsidiaries owned at least 90% by the Corporation which under applicable law can be effected without stockholder approval;

(iii) any issuance (or transfer from treasury) of additional equity, convertible securities, warrants or options with respect to the capital stock of the Corporation, or any of its subsidiaries, or the adoption of any additional equity plans by or on behalf of the Corporation or any of its subsidiaries except for (A) options granted or stock sold in the ordinary course of business pursuant to plans approved by the Approving Family Stockholders or adopted prior to the initial public offering of the Corporation's capital stock, and (B) the issuance of capital stock of the Corporation valued at Fair Market Value, as hereinafter defined, in acquisitions as to which no approval is required under subsection (iv) of this Section 2 of Article V or as to which approval has been obtained under subsection (iv) of this Section 2 of Article V;

(iv) any acquisition by or on behalf of the Corporation or one of its subsidiaries involving a total aggregate consideration in excess of 10% 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 for borrowed money 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 if such contribution, investment or borrowing is reasonably contemplated by the Corporation to be necessary within 12 months after the date of the acquisition);

(v) any guarantee of indebtedness of an entity other than a subsidiary of the Corporation exceeding 5% 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;

(vi) incurrence of indebtedness by the Corporation after the consummation of the initial public offering of the Corporation's capital stock (other than indebtedness incurred after the initial public offering of the Corporation which renews or replaces a previously existing facility so long as the aggregate amount of indebtedness is not increased) in a transaction which could be reasonably expected to reduce the Corporation's investment rating lower than one grade below the ratings of the Corporation by Moody's Investors Service ("Moody's"), Fitch Investors Service, L.P. ("Fitch") or Standard & Poor's Rating Group ("Standard & Poor's") immediately following the initial public offering, but in any event incurrence of indebtedness by the Corporation after the consummation of the initial public offering which could be reasonably expected to reduce such investment rating lower than Baa by Moody's; BBB- by Fitch; or BBB- by Standard & Poor's; and

(vii) any other transaction having substantially the same effect as a transaction described in clauses (i) through (vi) of this Section 2(a) of Article V.

(b) As used in Section 2(a)(iii) of this Article V, "Fair Market Value" means with respect to the capital stock of the Corporation, as of any given date or dates, the reported closing price of a share of such class of capital stock on such exchange or market as is the principal trading market for such class of capital stock. If such class of capital stock is not traded on an exchange or principal trading market on such date, the Fair Market Value of a share of the capital stock of the Corporation shall be determined by the Board of Directors in good faith taking into account as appropriate the recent sales of the capital stock of the Corporation, recent valuations of the capital stock of the Corporation, the lack of liquidity of the capital stock of the Corporation, the fact that certain shares of the capital stock of the Corporation may represent a minority interest and such other factors as the Board of Directors shall in its discretion deem relevant or appropriate.

ARTICLE VI

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. (a) So long as the Family Stockholders and their Permitted Transferees together hold beneficially at least 25,000,000 shares of the capital stock of the Corporation (as such number is equitably adjusted to reflect stock splits, stock dividends, recapitalizations or other transactions in the capital stock of the Corporation) (i) the stockholders may alter, amend, restate or repeal these Bylaws or any of them, or make new bylaws, only by the affirmative vote of 75% of the votes entitled to be cast thereon at any annual or special meeting and (ii) the Board of Directors may alter, amend, restate or repeal these Bylaws or any of them, or make new bylaws, only by the affirmative vote of three-quarters (3/4) of the members of the entire Board of Directors.

(b) Beginning on the first date on which the Family Stockholders and their Permitted Transferees together hold beneficially less than 25,000,000 shares of the capital stock of the Corporation (as such number is equitably adjusted to reflect stock splits, stock dividends, recapitalizations or other transactions in the capital stock of the Corporation) (i) 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.

(c) Notwithstanding sections (a) and (b) of this Section 6 of Article VI, if the Board Representation Agreement between the Corporation and certain other persons signatory thereto dated _____, 1996, shall be adjudicated to be void or terminated and of no further force and effect by the final, non-appealable order of a court of competent jurisdiction or shall be terminated and made to be of no further force and effect by the unanimous, written consent of the Family Stockholders and their Permitted Transferees then holding stock of the Corporation, beginning on the date such final order becomes non-appealable or the date such unanimous, written consent is delivered to the Secretary of the Corporation, as the case may be, (i) 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 (ii) 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.

EXHIBIT 4.01

[LOGO]

CLASS A COMMON STOCK NUMBER

INGRAM MICRO INC.

CLASS A COMMON STOCK SHARES

Incorporated under the laws of the State of Delaware

CUSIP 457153 10 4
See Reverse for Certain Definitions

This certificate transferable in Nashville, Tennessee or New York, New York

This Certifies that

is the owner of fully paid and non-assessable Shares of the Class A Common Stock, Par Value $0.01 per Share of Ingram Micro Inc. transferable on the books of the Corporation by the holders hereof in person or by duly authorized attorney upon surrender of this Certificate properly endorsed.

This Certificate is not valid unless countersigned by the Transfer Agent and registered by the Registrar.

Witness the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

COUNTERSIGNED AND REGISTERED:

FIRST CHICAGO TRUST COMPANY
(New York, New York) TRANSFER AGENT AND REGISTRAR

AUTHORIZED SIGNATURE

INGRAM MICRO INC. (seal)

Dated: /s/ James E. Anderson, Jr. — President

/s/ Jeffrey R. Rodek — Secretary

INGRAM MICRO INC.

This Corporation will furnish without charge to each stockholder who so requests a statement of the powers, designations, preferences and relative, participating, optional, or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entries
JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF TRANS MIN ACT-_____ Custodian_____
(Cust) (Minor)

Under Uniform Transfers to Minors

Act _____
(State)

Additional abbreviations may also be used though not in the above list.

For Value received, _____ hereby sell, assign and transfer unto

Please insert Social Security or other identifying number of assignee

_____

_____

Please print or type/write name and address of assignee

_____

_____

_____

_____Shares

of the Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint _____

_____Attorney, to

transfer the said shares on the books of the within named Corporation with full power of substitution.

Dated,_____

X_____

X_____

NOTICE: THE SIGNATURE(S) TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME(S) AS WRITTEN UPON THE FACE OF THE CERTIFICATE, IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

Signature(s) Guaranteed:_____

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION, (BANK, STOCKBROKER, SAVINGS AND LOAN ASSOCIATION AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17A1-15.

KEEP THIS CERTIFICATE IN A SAFE PLACE, IF IT IS LOST, STOLEN, OR DESTROYED, THE CORPORATION MAY REQUIRE A BOND OF INDEMNITY AS A CONDITION TO THE ISSUANCE OF A REPLACEMENT CERTIFICATE.

EXHIBIT 5.01

Davis Polk & Wardwell
450 Lexington Avenue
New York, NY 10017
(212) 450-4000
Fax: (212) 450-4800

October 21, 1996

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

Ladies and Gentlemen:

Re: Ingram Micro Inc. Registration Statement on Form S-1
(File No. 333-08453)

We have acted as counsel to Ingram Micro Inc. (the "Company") in connection with the Company's Registration Statement on Form S-1 (the "Registration Statement") filed with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Securities Act"), for the registration of 23,200,000 shares of the Company's Class A Common Stock, par value $0.01 per share (the "Common Stock"), including 3,000,000 shares subject to an over-allotment option (collectively, the "Shares").

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

On the basis of the foregoing and assuming the due execution and delivery of certificates representing the Shares, we are of the opinion that the Shares have been duly authorized and, when issued and delivered against payment therefor in accordance with the terms of the Underwriting Agreement referred to in the prospectus that is part of the Registration Statement, will be validly issued, fully paid and non-assessable.

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

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

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

Very truly yours,

/s/ Davis Polk & Wardwell

INGRAM MICRO INC.

Amended and Restated
1996 Equity Incentive Plan

SECTION 1. Purpose. The purposes of the Amended and Restated Ingram Micro Inc. 1996 Equity Incentive Plan are to promote the interests of Ingram Micro Inc. and its stockholders by (i) attracting and retaining exceptional directors, executive personnel and other key employees of Micro and its Affiliates, as defined below; (ii) motivating such employees and directors by means of performance-related incentives to achieve longer-range performance goals; and (iii) enabling such employees and directors to participate in the long-term growth and financial success of Micro.

SECTION 2. Definitions. As used in the Plan, the following terms shall have the meanings set forth below:

"Affiliate" means (i) any entity that is, directly or indirectly, controlled by Micro and (ii) any other entity in which Micro has a significant equity interest or which has a significant equity interest in Micro, in either case as determined by the Committee.

"Award" means any Option, Stock Appreciation Right, Restricted Stock Award, Performance Award or Other Stock-Based Award.

"Award Agreement" means any written agreement, contract, or other instrument or document evidencing any Award, which may, but need not, be executed or acknowledged by a Participant.

"Board" means the Board of Directors of Micro.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Committee" means a committee of the Board designated by the Board to administer the Plan and composed of not less than the minimum number of persons from time to time required by Rule 16b-3, each of whom, to the extent necessary to comply with Rule 16b-3 only, is a "Non-Employee Director" within the meaning of Rule 16b-3. Until otherwise determined by the Board, the Compensation Committee designated by the Board shall be the Committee under the Plan.

"Employee" means an employee of Micro or any Affiliate and any member of the Board.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Executive Officer" means, at any time, an individual who is an executive officer of Micro within the meaning of Exchange Act Rule 3b-7 or who is an officer of Micro within the meaning of Exchange Act Rule 16a-1(f).

"Fair Market Value" means with respect to the Shares, as of any given date or dates, the reported closing price of a share of such class of common stock on such exchange or market as is the principal trading market for such class of common stock. If such class of common stock is not traded on an exchange or principal trading market on such date, the fair market value of a Share shall be determined by the Committee in good faith taking into account as appropriate recent sales of the Shares, recent valuations of the Shares, the lack of liquidity of the Shares, the fact that the Shares may represent a minority interest and such other factors as the Committee shall in its discretion deem relevant or appropriate.

"Incentive Stock Option" means a right to purchase Shares from Micro that is granted under Section 6 of the Plan and that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

"Ingram Family" means Martha Ingram, her descendants (including any adopted persons and their descendants) and their respective spouses.

"Micro" means Ingram Micro Inc., together with any successor thereto.

"Non-Qualified Stock Option" means a right to purchase Shares from Micro that is granted under Section 6 of the Plan and that is not intended to be an Incentive Stock Option.

"Option" means an Incentive Stock Option or a Non-Qualified Stock Option.

"Other Stock-Based Award" means any right granted under Section 10 of the Plan.

"Participant" means any Employee selected by the Committee to receive an Award under the Plan (and to the extent applicable, any heirs or legal representatives thereof).

"Performance Award" means any right granted under Section 9 of the Plan.

"Person" means any individual, corporation, limited liability company, partnership, association, joint-stock company, trust, unincorporated organization, government or political subdivision thereof or other entity.

"Plan" means this Ingram Micro Inc. 1996 Equity Incentive Plan.

"Purchase Agreement" means an agreement substantially in the form attached hereto as Exhibit A to be executed by Micro and a Participant as a condition to the exercise, prior to a Public Offering, by such Participant of any Option granted hereunder.

"Restricted Stock" means any Share granted under Section 8 of the Plan.

"Restricted Stock Unit" means any unit granted under Section 8 of the Plan.

"Rule 16b-3" means Rule 16b-3 as promulgated and interpreted by the SEC under the Exchange Act, or any successor rule or regulation thereto as in effect from time to time.

"SEC" means the Securities and Exchange Commission or any successor thereto.

"Shares" means shares of Class A common stock and Class B common stock, $.01 par value, of Micro or such other securities as may be designated by the Committee from time to time.

"Stock Appreciation Right" means any right granted under Section 7 of the Plan.

"Substitute Awards" means Awards granted in assumption of, or in substitution for, outstanding awards previously granted by a company acquired by Micro or with which Micro combines.

SECTION 3. Administration.

(a) Authority of Committee. The Plan shall be administered by the Committee. Subject to the terms of the Plan, applicable law and contractual restrictions affecting Micro, and in addition to other express powers and authorizations conferred on the Committee by the Plan, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the type or types of Awards to be granted to an eligible Employee; (iii) determine the number of Shares to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with, Awards; (iv) determine the terms and conditions of any Award, Award Agreement and Purchase Agreement; (v) determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, Shares, other securities, other Awards or other property, or cancelled, forfeited, or suspended and the method or methods by which Awards may be settled, exercised, cancelled, forfeited, or suspended; (vi) determine whether, to what extent, and under what circumstances cash, Shares, other securities, other Awards, other property, and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the holder thereof or of the Committee; (vii) interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the Plan; (viii) establish, amend, suspend, or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (ix) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

(b) Committee Discretion Binding. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Award shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon all Persons, including Micro, any Affiliate, any Participant, any holder or beneficiary of any Award, any shareholder and any Employee.

SECTION 4. Shares Available for Awards.

(a) Shares Available. Subject to adjustment as provided in Section 4(b) and 4(c), the number of Shares with respect to which Awards may be granted under the Plan shall be 12,000,000. If, after the effective date of the Plan, any Shares covered by an Award granted under the Plan or to which such an Award relates, are forfeited, or if such an Award is settled for cash or otherwise terminates or is cancelled without the delivery of Shares, then the Shares covered by such Award, or to which such Award relates, or the number of Shares otherwise counted against the aggregate number of Shares with respect to which Awards may be granted, to the extent of any such settlement, forfeiture, termination or cancellation, shall, in the calendar year in which such settlement, forfeiture, termination or cancellation occurs, again become Shares with respect to which Awards may be granted unless any dividends have been paid thereon prior to such settlement, forfeiture, termination or cancellation. Notwithstanding the foregoing and subject to adjustment as provided in Section 4(b), no Employee of Micro may receive Awards under the Plan in any calendar year that relate to more than 3,600,000 Shares.

(b) Adjustments. In the event that the Committee determines that any dividend or other distribution (whether in the form of cash, Shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, reclassification, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of Micro, issuance of warrants or other rights to purchase Shares or other securities of Micro, or other similar corporate transaction or event affects the Shares such that an adjustment is determined by the Committee to

be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of (i) the number of Shares of Micro (or number and kind of other securities or property) with respect to which Awards may thereafter be granted, (ii) the number of Shares or other securities of Micro (or number and kind of other securities or property) subject to outstanding Awards, and (iii) the grant or exercise price with respect to any Award, or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award; provided, in each case, that except to the extent deemed desirable by the Committee (A) with respect to Awards of Incentive Stock Options no such adjustment shall be authorized to the extent that such authority would cause the Plan to violate Section 422(b)(1) of the Code, as from time to time amended and (B) with respect to any Award no such adjustment shall be authorized to the extent that such authority would be inconsistent with the Plan's meeting the requirements of Section 162(m) of the Code, as from time to time amended.

(c) Substitute Awards. Any Shares underlying Substitute Awards shall not, except in the case of Shares with respect to which Substitute Awards are granted to Employees who are officers or directors of Micro for purposes of Section 16 of the Exchange Act or any successor section thereto, be counted against the Shares available for Awards under the Plan.

(d) Sources of Shares Deliverable Under Awards. Any Shares delivered pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares or of treasury Shares.

SECTION 5. Eligibility. Any Employee, including any officer or employee-director of Micro or any Affiliate, and any member of the Board, shall be eligible to be designated a Participant.

SECTION 6. Stock Options.

(a) Grant. Subject to the provisions of the Plan and contractual restrictions affecting Micro, the Committee shall have sole and complete authority to determine the Employees to whom Options shall be granted, the number of Shares to be covered by each Option, the option price therefor and the conditions and limitations applicable to the exercise of the Option. The Committee shall have the authority to grant Incentive Stock Options, or to grant Non-Qualified Stock Options, or to grant both types of options. In the case of Incentive Stock Options, the terms and conditions of such grants shall be subject to and comply with such rules as may be prescribed by Section 422 of the Code, as from time to time amended, and any regulations implementing such statute.

(b) Exercise Price. The Committee in its sole discretion shall establish the exercise price at the time each Option is granted.

(c) Exercise. Each Option shall be exercisable at such times and subject to such terms and conditions as the Committee may, in its sole discretion, specify in the applicable Award Agreement or thereafter. The Committee may impose such conditions with respect to the exercise of Options, including without limitation, any relating to the application of Federal or state securities laws, as it may deem necessary or advisable.

(d) Payment. No Shares shall be delivered pursuant to any exercise of an Option until payment in full of the option price therefor is received by Micro. Such payment may be made: (i) in cash; (ii) in Shares already owned by the Participant (the value of such Shares shall be their Fair Market Value on the date of exercise); (iii) by a combination of cash and Shares; (iv) if approved by the Committee, in accordance with a cashless exercise program under which either (A) if so instructed by the Participant, Shares may be issued directly to the Participant's broker or dealer upon receipt of the purchase price in cash from the broker or dealer, or (B) Shares may be issued by Micro to a Participant's broker or dealer in consideration of such broker's or dealer's irrevocable commitment to pay to Micro that portion of the proceeds from the sale of such Shares that is equal to the exercise price of the Option(s) relating to such Shares, or (v) in such other manner as permitted by the Committee at the time of grant or thereafter.

SECTION 7. Stock Appreciation Rights.

(a) Grant. Subject to the provisions of the Plan and contractual restrictions affecting Micro, the Committee shall have sole and complete authority to determine the Employees to whom Stock Appreciation Rights shall be granted, the number of Shares to be covered by each Stock Appreciation Right Award, the grant price thereof and the conditions and limitations applicable to the exercise thereof. Stock Appreciation Rights may be granted in tandem with another Award, in addition to another Award, or freestanding and unrelated to another Award. Stock Appreciation Rights granted in tandem with or in addition to an Award may be granted either at the same time as the Award or at a later time. Stock Appreciation Rights shall not be exercisable earlier than six months after grant and shall have a grant price as determined by the Committee on the date of grant.

(b) Exercise and Payment. A Stock Appreciation Right shall entitle the Participant to receive an amount equal to the excess of the Fair Market Value of a Share on the date of exercise of the Stock Appreciation Right over the grant price thereof, provided that the Committee may for administrative convenience determine that, with respect to any Stock Appreciation Right which is not related to an Incentive Stock Option and which can only be exercised for cash during limited periods of time in order to satisfy the conditions of Rule 16b-3, the exercise of such Stock Appreciation Right for cash during such limited period shall be deemed to occur for all purposes hereunder on the last day of such limited period and the Fair Market Value of the Shares subject to such stock

appreciation right shall be deemed to be equal to the average of the high and low prices during such period on each day the Shares are traded on any stock exchange on which Shares are listed or on any over-the-counter market on which Shares are then traded. Any such determination by the Committee may be changed by the Committee from time to time and may govern the exercise of Stock Appreciation Rights granted prior to such determination as well as Stock Appreciation Rights thereafter granted. The Committee shall determine whether a Stock Appreciation Right shall be settled in cash, Shares or a combination of cash and Shares.

(c) Other Terms and Conditions. Subject to the terms of the Plan and any applicable Award Agreement, the Committee shall determine, at or after the grant of a Stock Appreciation Right, the term, methods of exercise, methods and form of settlement, and any other terms and conditions of any Stock Appreciation Right. Any such determination by the Committee may be changed by the Committee from time to time and may govern the exercise of Stock Appreciation Rights granted or exercised prior to such determination as well as Stock Appreciation Rights granted or exercised thereafter. The Committee may impose such conditions or restrictions on the exercise of any Stock Appreciation Right as it shall deem appropriate.

SECTION 8. Restricted Stock and Restricted Stock Units.

(a) Grant. Subject to the provisions of the Plan and contractual provisions affecting Micro, the Committee shall have sole and complete authority to determine the Employees to whom Shares of Restricted Stock and Restricted Stock Units shall be granted, the number of Shares of Restricted Stock and/or the number of Restricted Stock Units to be granted to each Participant, the duration of the period during which, and the conditions under which, the Restricted Stock and Restricted Stock Units may be forfeited to Micro, and the other terms and conditions of such Awards.

(b) Payment. Each Restricted Stock Unit shall have a value equal to the Fair Market Value of a Share. Restricted Stock Units shall be paid in cash, Shares, other securities or other property, as determined in the sole discretion of the Committee, upon the lapse of the restrictions applicable thereto, or otherwise in accordance with the applicable Award Agreement.

(c) Dividends and Distributions. Dividends and other distributions paid on or in respect of any Shares of Restricted Stock may be paid directly to the Participant, or may be reinvested in additional Shares of Restricted Stock or in additional Restricted Stock Units, as determined by the Committee in its sole discretion.

SECTION 9. Performance Awards.

(a) Grant. Subject to the provisions of the Plan and contractual provisions affecting Micro, the Committee shall have sole and complete authority to determine the Employees who shall receive a "Performance Award", which shall consist of a right which is (i) denominated in cash or Shares, (ii) valued, as determined by the Committee, in accordance with the achievement of such performance goals during such performance periods as the Committee shall establish, and (iii) payable at such time and in such form as the Committee shall determine.

(b) Terms and Conditions. Subject to the terms of the Plan, any contractual provisions affecting Micro and any applicable Award Agreement, the Committee shall determine the performance goals to be achieved during any performance period, the length of any performance period, the amount of any Performance Award and the amount and kind of any payment or transfer to be made pursuant to any Performance Award.

(c) Payment of Performance Awards. Performance Awards may be paid in a lump sum or in installments following the close of the performance period or, in accordance with procedures established by the Committee, on a deferred basis.

SECTION 10. Other Stock-Based Awards. The Committee shall have authority to grant to eligible Employees an "Other Stock-Based Award", which shall consist of any right which is (i) not an Award described in Sections 6 through 9 above and (ii) an Award of Shares or an Award denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares (including, without limitation, securities convertible into Shares), as deemed by the Committee to be consistent with the purposes of the Plan; provided that any such rights must comply with applicable law, and to the extent deemed desirable by the Committee, with Rule 16b-3. Subject to the terms of the Plan, any contractual provisions affecting Micro and any applicable Award Agreement, the Committee shall determine the terms and conditions of any such Other Stock-Based Award.

SECTION 11. Termination or Suspension of Employment or Service. The following provisions shall apply in the event of the Participant's termination of employment or service unless the Committee shall have provided otherwise, either at the time of the grant of the Award or thereafter.

(a) Nonqualified Stock Options and Stock Appreciation Rights.

(i) Termination of Employment or Service. Except as the Committee may at any time otherwise provide or as required to comply with applicable law, if the Participant's employment or services with Micro or its Affiliates is terminated for any reason other than death, disability, or retirement, the Participant's right to exercise any Nonqualified Stock Option or Stock Appreciation Right shall terminate, and such Option or Stock Appreciation Right shall expire, on the earlier of (A) the sixtieth

day following such termination of employment or service or (B) the date such Option or Stock Appreciation Right would have expired had it not been for the termination of employment or services. The Participant shall have the right to exercise such Option or Stock Appreciation Right prior to such expiration to the extent it was exercisable at the date of such termination of employment or service and shall not have been exercised.

(ii) Death, Disability or Retirement. Except as the Committee may at any time otherwise provide or as required to comply with applicable law, if the Participant's employment or services with Micro or its Affiliates is terminated by reason of death, disability, or retirement, the Participant or his successor (if employment or service is terminated by death) shall have the right to exercise any Nonqualified Stock Option or Stock Appreciation Right during the one-year period following such termination of employment or service, to the extent it was exercisable and outstanding at the date of such termination of employment or service, but in no event shall such option be exercisable later than the date the Option would have expired had it not been for the termination of such employment or services. The meaning of the terms "disability" and "retirement" shall be determined by the Committee.

(iii) Acceleration or Extension of Exercisability. Notwithstanding the foregoing, the Committee may, in its discretion, provide at any time (A) that an Option granted to a Participant may terminate at a date earlier than that set forth above, (B) that an Option granted to a Participant may terminate at a date later than that set forth above, provided such date shall not be beyond the date the Option would have expired had it not been for the termination of the Participant's employment or service and (C) that an Option or Stock Appreciation Right may become immediately exercisable when it finds that such acceleration would be in the best interests of Micro.

(b) Incentive Stock Options. Except as otherwise determined by the Committee at the time of grant or otherwise or as required to comply with applicable law, if the Participant's employment with Micro and its Affiliates is terminated for any reason, the Participant shall have the right to exercise any Incentive Stock Option and any related Stock Appreciation Right during the 90 days after such termination of employment to the extent it was exercisable at the date of such termination, but in no event later than the date the Option would have expired had it not been for the termination of such employment. If the Participant does not exercise such Option or related Stock Appreciation Right to the full extent permitted by the preceding sentence, the remaining exercisable portion of such Option automatically will be deemed a Nonqualified Stock Option, and such Option and the related Stock Appreciation Right will be exercisable during the period set forth in Section 11(a) of the Plan, provided that in the event that employment is terminated because of death or the Participant dies in such 90-day period the Option will continue to be an Incentive Stock Option to the extent provided by Section 421 or Section 422 of the Code, or any successor provision, and any regulations promulgated thereunder.

(c) Restricted Stock. Except as otherwise determined by the Committee at the time of grant or as required to comply with applicable law, upon termination of employment or service for any reason during the restriction period, all shares of Restricted Stock still subject to restriction shall be forfeited by the Participant and reacquired by Micro at the price (if any) paid by the Participant for such Restricted Stock; provided that in the event of Participant's retirement, disability, or death, or in cases of special circumstances, the Committee may, in its sole discretion, when it finds that a waiver would be in the best interests of Micro, waive in whole or in part any or all remaining restrictions with respect to such participant's shares of Restricted Stock. Any time spent by a participant in the status of "leave without pay" shall extend the period otherwise required for purposes of determining the extent to which any Award or portion thereof has vested or otherwise become exercisable or nonforfeitable.

(d) Except as the Committee may otherwise determine, for purposes hereof any termination of a Participant's employment or service for any reason shall occur on the date Participant ceases to perform services for Micro or any Affiliate without regard to whether Participant continues thereafter to receive any compensatory payments therefrom or is paid salary thereby in lieu of notice of termination or, with respect to a member of the Board who is not also an employee of Micro or any Affiliate, the date such Participant is no longer a member of the Board.

SECTION 12. Merger. In the event of a merger of Micro with or into another corporation, each outstanding Award may be assumed or an equivalent award may be substituted by such successor corporation or a parent or subsidiary of such successor corporation. If, in such event, an Award is not assumed or substituted, the Award shall terminate as of the date of the closing of the merger. For the purposes of this paragraph, the Award shall be considered assumed if, following the merger, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the merger, the consideration (whether stock, cash, or other securities or property) received in the merger by holders of Common Stock for each Share held on the effective date of the transaction (and if the holders are offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares). If such consideration received in the merger is not solely common stock of the successor corporation or its parent, the Committee may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of the Award, for each Share subject to the Award, to be solely common stock of the successor corporation or its parent equal in fair market value to the per share consideration received by holders of Common Stock in the merger.

SECTION 13. Amendment and Termination.

(a) Amendments to the Plan. The Board may amend, alter,

suspend, discontinue, or terminate the Plan or any portion thereof at any time; provided that no such amendment, alteration, suspension, discontinuation or termination shall be made without shareholder approval if such approval is necessary to comply with any tax or regulatory requirement, including for these purposes any approval requirement which is a prerequisite for exemptive relief from Section 16(b) of the Exchange Act, for which or with which the Board deems it necessary or desirable to qualify or comply. Notwithstanding anything to the contrary herein, the Committee may amend the Plan in such manner as may be necessary so as to have the Plan conform with local rules and regulations in any jurisdiction outside the United States.

(b) Amendments to Awards. Subject to the terms of the Plan and applicable law, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any Award theretofore granted, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would adversely affect the rights of any Participant or any holder or beneficiary of any Award theretofore granted shall not to that extent be effective without the consent of the affected Participant, holder or beneficiary.

(c) Cancellation. Any provision of this Plan or any Award Agreement to the contrary notwithstanding, the Committee may cause any Award granted hereunder to be cancelled in consideration of a cash payment or alternative Award made to the holder of such cancelled Award equal in value to the Fair Market Value of such cancelled Award.

SECTION 14. General Provisions.

(a) Dividend Equivalents. In the sole and complete discretion of the Committee, an Award, whether made as an Other Stock-Based Award under Section 10 or as an Award granted pursuant to Sections 6 through 9 hereof, may provide the Participant with dividends or dividend equivalents, payable in cash, Shares, other securities or other property on a current or deferred basis.

(b) Nontransferability. No Award shall be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant, except by will or the laws of descent and distribution.

(c) No Rights to Awards. No Employee, Participant or other Person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Employees, Participants, or holders or beneficiaries of Awards. The terms and conditions of Awards need not be the same with respect to each recipient.

(d) Share Certificates. All certificates for Shares or other securities of Micro or any Affiliate delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations and other requirements of the Securities and Exchange Commission or any stock exchange upon which such Shares or other securities are then listed and any applicable laws or rules or regulations, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(e) Withholding. A Participant may be required to pay to Micro or any Affiliate, and Micro or any Affiliate shall have the right and is hereby authorized to withhold from any Award, from any payment due or transfer made under any Award or under the Plan or from any compensation or other amount owing to a Participant the amount (in cash, Shares, other securities, other Awards or other property) of any applicable withholding taxes in respect of an Award, its exercise, or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of Micro to satisfy all obligations for the payment of such taxes. The Committee may provide for additional cash payments to holders of Awards to defray or offset any tax arising from any such grant, lapse, vesting, or exercise of any Award.

(f) Award Agreements. Each Award hereunder shall be evidenced by an Award Agreement which shall be delivered to the Participant and shall specify the terms and conditions of the Award and any rules applicable thereto.

(g) No Limit on Other Compensation Arrangements. Nothing contained in the Plan shall prevent Micro or any Affiliate from adopting or continuing in effect other compensation arrangements, which may, but need not, provide for the grant of options, restricted stock, Shares and other types of Awards provided for hereunder (subject to shareholder approval if such approval is required), and such arrangements may be either generally applicable or applicable only in specific cases.

(h) No Right to Employment. The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ or service of Micro or any Affiliate. Further, Micro or an Affiliate may at any time dismiss a Participant from employment or service, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or in any Award Agreement.

(i) Rights as a Stockholder. Subject to the provisions of the applicable Award, no Participant or holder or beneficiary of any Award shall have any rights as a stockholder with respect to any Shares to be issued under the Plan until he or she has become the holder of such Shares. Notwithstanding the foregoing, in connection with each grant of Restricted Stock hereunder, the applicable Award shall specify if and to what extent the Participant shall not be entitled to the rights of a stockholder in respect of

such Restricted Stock.

(j) Governing Law. The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan and any Award Agreement shall be determined in accordance with the laws of the State of Delaware.

(k) Severability. If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

(l) Other Laws. The Committee may refuse to issue or transfer any Shares or other consideration under an Award if, acting in its sole discretion, it determines that the issuance or transfer of such Shares or such other consideration might violate any applicable law or regulation or entitle Micro to recover the same under Section 16(b) of the Exchange Act, and any payment tendered to Micro by a Participant in connection therewith shall be promptly refunded to the relevant Participant, holder or beneficiary. Without limiting the generality of the foregoing, no Award granted hereunder shall be construed as an offer to sell securities of Micro, and no such offer shall be outstanding, unless and until the Committee in its sole discretion has determined that any such offer, if made, would be in compliance with all applicable requirements of the U.S. federal securities laws and any other laws to which such offer, if made, would be subject.

(m) No Trust or Fund Created. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between Micro or any Affiliate and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from Micro or any Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of Micro or any Affiliate.

(n) No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash or other securities or other property shall be paid or transferred in lieu of any fractional Shares or whether such fractional Shares or any rights thereto shall be cancelled, terminated, or otherwise eliminated.

(o) Transfer Restrictions. Shares acquired hereunder may not be sold, assigned, transferred, pledged or otherwise disposed of, except as provided in the Plan, the applicable Award Agreement or the applicable Purchase Agreement.

(p) Headings. Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

SECTION 15. Term of the Plan.

(a) Effective Date. The Plan shall be effective as of [IPO Effective Date], subject to approval by the shareholders of Micro. Awards may be granted hereunder prior to such shareholder approval subject in all cases, however, to such approval.

(b) Expiration Date. No Incentive Stock Option shall be granted under the Plan after December 31, 2005. Unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award granted hereunder may, and the authority of the Board or the Committee to amend, alter, adjust, suspend, discontinue, or terminate any such Award or to waive any conditions or rights under any such Award shall, continue after the authority for grant of new Awards hereunder has been exhausted.

EXHIBIT 10.12

K&S DRAFT
10/22/96

US $1,000,000,000

CREDIT AGREEMENT

dated as of October __, 1996

among

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

CERTAIN FINANCIAL INSTITUTIONS,
as the Lenders,

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

and

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

and

THE CHASE MANHATTAN BANK,
DG BANK, NEW YORK BRANCH,
THE FIRST NATIONAL BANK OF CHICAGO,
THE INDUSTRIAL BANK OF JAPAN,
LIMITED, ATLANTA AGENCY
and
ROYAL BANK OF CANADA,
as Co-Agents

TABLE OF CONTENTS

CREDIT AGREEMENT

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

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

WHEREAS, Micro wishes to obtain:

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

(i) Pro-Rata Revolving Loans, and

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

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

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

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

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

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

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

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

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

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

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

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

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

"Absolute Interest Rate" is defined in Section 3.5.3.

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

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

"Acceding Borrower" is defined in Section 6.3.

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

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

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

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

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

(other than any Subsidiary that is a Guarantor) on such date does not exceed fifteen percent (15%) of Consolidated Tangible Net Worth on such date.

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

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

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

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

"Affiliate Transaction" is defined in Section 8.2.6.

"Agents" is defined in the preamble.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Business Day" means:

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

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

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

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

"Canadian Dollars" means lawful currency of Canada.

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

"Co-Agents" is defined in the preamble.

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

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

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

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

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

"consolidated", "consolidating" and any derivative thereof each means, with reference to the accounts or financial reports of any Person, the consolidated accounts or financial reports of such Person and each Subsidiary

of such Person determined in accordance with GAAP, including principles of consolidation, consistent with those applied in the preparation of the consolidated financial statements of Micro referred to in Section 7.6.

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

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

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

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

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

(b) Consolidated Current Liabilities as at such date.

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

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

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

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

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

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

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

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

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

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

(a) Consolidated Assets as at such date, less

(b) Consolidated Liabilities as at such date.

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

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

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

(b) goodwill and other Intangible Assets of Micro and its

Consolidated Subsidiaries.

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

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

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

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

"Coordination Center" is defined in the preamble.

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

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

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

(a) any Pro-Rata Credit Extension; or

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

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

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

"Danish Krone" means the lawful currency of Denmark.

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

"Disbursement Date" is defined in Section 3.2.2.

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

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

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

"Dollar Amount" means, at any date:

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

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

"Effective Date" is defined in Section 11.8.

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

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

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

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

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

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

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

"Event of Default" is defined in Section 9.1.

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

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

"Existing Micro Credit Agreement" means that certain Credit Agreement, among the Borrowers, the various financial institutions parties thereto, and the co-agents, lead managers and European agent named therein, which may replace (with respect to the Borrowers) the Existing Industries Credit Agreement on or prior to the Effective Date.

"FASB" means the Financial Accounting Standards Board.

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

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

Reserve Bank of New York; or

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

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

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

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

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

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

"French Francs" means the lawful currency of France.

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

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

"GAAP" is defined in Section 1.4.

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

"Guaranties" means, collectively,

(a) the Micro Guaranty;

(b) the Coordination Center Guaranty;

(c) the Micro Canada Guaranty (Micro);

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

(e) the Micro Singapore Guaranty; and

(f) each Additional Guaranty.

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

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

"Hazardous Material" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Indemnified Liabilities" is defined in Section 11.4.

"Indemnified Parties" is defined in Section 11.4.

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

"Ineligible Currency" means, with respect to any Non-Rata Revolving Loan denominated in an Available Currency (other than Dollars), a determination by the relevant Lender that the currency in which such Loan is denominated has ceased to be (a) freely convertible into Dollars or (b) a currency for which there is an active foreign exchange and deposit market in New York City.

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

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

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

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

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

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

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

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

"Investment Prospectus" is defined in Section 6.1.11.

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

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

"Krona" means the lawful currency of Sweden.

"Lenders" is defined in the preamble.

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

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

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

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

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

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

plus

(b) the then aggregate amount of all unpaid and outstanding

Pro-Rata Reimbursement Obligations.

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

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

"LIBO Margin" is defined in Section 3.5.3.

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

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

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

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

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

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

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

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

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

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

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

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

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

determination thereafter, (A) on an average over the three (3) most recently preceding Fiscal Years (or, if less, since the date such Person became a Subsidiary of Micro) contributed at least five percent (5%) to Consolidated Net Income, or (B) on an average at the end of the three (3) (or, if less, such number of Fiscal Year-ends as have occurred since such Person became a Subsidiary of Micro) most recently preceding Fiscal Years owned assets constituting at least five percent (5%) of Consolidated Assets; provided that Ingram Funding Inc., Distribution Funding Corporation and any other special purpose financing vehicle shall not be Material Subsidiaries.

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

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

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

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

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

"Micro" is defined in the preamble.

"Micro Canada" is defined in the preamble.

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

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

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

"Micro Singapore" is defined in the preamble.

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

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

"NationsBank" is defined in the preamble.

"Non-Rata Credit Extension" means, collectively,

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

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

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

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

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

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

"Non-Rata Revolving Loans" is defined in Section 3.3.1.

"Non-Rata Revolving Note" means a promissory note of a Borrower payable to a Lender, in the form of Exhibit A-3 hereto (as such promissory note may be amended, endorsed or otherwise modified from time to time), evidencing the aggregate Indebtedness of such Borrower to such Lender resulting from outstanding Non-Rata Revolving Loans, and also means all other promissory notes accepted from time to time in substitution therefor or renewal thereof.

"Norwegian Krone" means the lawful currency of Norway.

"Note" means, as the context may require, a Revolving Note, a Non-Rata Revolving Note, a Bid Rate Note, or any promissory note of Coordination Center that may be issued from time to time to evidence Non-Rata Revolving Loans made by any Lender to Coordination Center.

"Obligations" means, individually and collectively: (a) the Loans; (b) all Letter of Credit Outstandings and (c) all other indebtedness, liabilities, obligations, covenants and duties of any Borrower owing to the Agents and/or the Lenders of every kind, nature and description, under or in respect of this Agreement or any of the other Loan Documents including, without limitation, any fees, whether direct or indirect, absolute or contingent, due or not due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any note.

"Obligors" means, collectively, the Borrowers and Guarantors.

"Organic Documents" means, relative to any Obligor, any governmental filing or proclamation pursuant to which such Person shall have been created and shall continue in existence (including a charter or certificate or articles of incorporation or organization, and, with respect to Coordination Center, the Royal Decree) and its by-laws (or, if applicable, partnership or operating agreement) and all material shareholder agreements, voting trusts and similar arrangements to which such Obligor is a party that are applicable to the voting of any of its authorized shares of capital stock (or, if applicable, other ownership interests therein).

"Outstanding Credit Extensions" means, relative to any Lender at any date and without duplication, the sum of the Dollar Amounts of

(a) the aggregate principal amount of all outstanding Loans of such Lender at such date,

plus

(b) such Lender's Percentage of the aggregate Stated Amount of all Pro-Rata Letters of Credit which are outstanding and undrawn (or drawn and unreimbursed) at such date,

plus

(c) the aggregate Stated Amount of all Non-Rata Letters of Credit issued by such Lender which are outstanding and undrawn (or drawn and unreimbursed) at such date.

"Participant" is defined in Section 11.11.2.

"PBGC" means the Pension Benefit Guaranty Corporation and any entity succeeding to any or all of its functions under ERISA.

"Pension Plan" means a "pension plan", as such term is defined in section 3(2) of ERISA, which is subject to Title IV of ERISA (other than a multiemployer plan as defined in section 4001(3) of ERISA), and to which any Obligor or any corporation, trade or business that is, along with Obligor, a member of a Controlled Group, may have liability, including any liability by reason of having been a substantial employer within the meaning of section 4063 of ERISA at any time during the preceding five years, or by reason of being deemed to be a contributing sponsor within the meaning of section 4069 of ERISA.

"Percentage" of any Lender means in the case of (a) each Lender which is a signatory to this Agreement, the percentage set forth opposite such Lender's signature hereto under the caption "Percentage", subject to any modification necessary to give effect to any sale, assignment or transfer made pursuant to Section 11.11.1, or (b) any Transferee Lender, effective upon the occurrence of the relevant purchase by, or assignment to, such Transferee Lender, the portion of the Percentage of the selling, assigning or transferring Lender allocated to such Transferee Lender. With respect to any Lender at any time, "Percentage" shall express the ratio of such Lender's then Available Credit Commitments to the then aggregate Available Credit Commitments of all the Lenders.

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

"Pesetas" means the lawful currency of Spain.

"Plan" means any Pension Plan or Welfare Plan.

"Pro-Rata Credit Extension" means, collectively,

(a) the making of Pro-Rata Revolving Loans by the Lenders; and

(b) the issuance by any Issuer of a Pro-Rata Letter of Credit.

"Pro-Rata Distribution Event" is defined in clause (c) of Section 5.9.

"Pro-Rata Letter of Credit" means an irrevocable letter of credit issued pursuant to Section 3.2.

"Pro-Rata Letter of Credit Commitment" means, with respect to any Issuer of Pro-Rata Letters of Credit, such Issuer's obligations to issue Pro-Rata Letters of Credit pursuant to Section 3.2 and, with respect to each of the other Lenders, the obligations of each such Lender to participate in Pro-Rata Letters of Credit pursuant to such Section.

"Pro-Rata Revolving Loans" is defined in clause (a) of Section 2.1.

"Pro-Rata Reimbursement Obligation" is defined in Section 3.2.3.

"Quarterly Payment Date" means the last day of March, June, September and December of each calendar year or, if any such day is not a Business Day, the next succeeding Business Day.

"Quarterly Report" means a report duly completed, substantially in the form of Exhibit L attached hereto (including, in addition to the information expressly described in Exhibit L hereto, information (including calculations in accordance with the provisions of the last sentence of Section 2.1) regarding the values of the Available Currencies (other than the Dollar) of all Outstanding Credit Extensions consisting of Non-Rata Credit Extensions as

of the end of the applicable Fiscal Period), as such Exhibit L may be amended, supplemented, restated or otherwise modified from time to time.

"Quote" means an offer in accordance with Section 3.5.3 by a Lender to make a Bid Rate Loan with one single specified interest rate.

"Quote Request" has the meaning set forth in Section 3.5.2.

"Receiving Lender Party" is defined in clause (d) of Section 5.9.

"Reference Lenders" means Scotiabank, NationsBank, The First National Bank of Chicago and The Chase Manhattan Bank.

"Reference Rate" means, on any date and with respect to all Reference Rate Loans, a fluctuating rate of interest per annum equal to

(a) at all times other than the last five Business Days of each calendar quarter, the rate of interest most recently announced or established by NationsBank as its reference rate for Dollar loans; and

(b) during the last five Business Days of each calendar quarter, the higher of (i) the rate set forth in the preceding clause (a) and (ii) the Federal Funds Rate plus 1/2 of 1%.

The Reference Rate is not necessarily intended to be the lowest rate of interest determined by NationsBank in connection with extensions of credit. Changes in the rate of interest on that portion of any Pro-Rata Revolving Loans maintained as Reference Rate Loans will take effect simultaneously with each change in the Reference Rate. The Administrative Agent will give notice promptly to Micro and the Lenders of changes in the Reference Rate.

"Reference Rate Loan" means a Pro-Rata Revolving Loan bearing interest at a fluctuating rate of interest determined by reference to the Reference Rate.

"Regulation U" is defined in Section 7.17.

"Regulatory Change" means any change after the date hereof in any (or the promulgation after the date hereof of any new):

(a) law applicable to any class of banks (of which any Lender Party is a member) issued by (i) any competent authority in any country or jurisdiction, or (ii) any competent international or supra-national authority; or

(b) regulation, interpretation, directive or request (whether or not having the force of law) applicable to any class of banks (of which any Lender Party is a member) of any court, central bank or governmental authority or agency charged with the interpretation or administration of any law referred to in clause (a) of this definition or of any fiscal, monetary or other authority having jurisdiction over any Lender Party.

"Reimbursement Obligations" shall mean, collectively, all Pro-Rata Reimbursement Obligations and Non-Rata Reimbursement Obligations.

"Release" means a "release", as such term is defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended and as in effect from time to time (42 United States Code Section 9601 et seq.), and any rules and regulations promulgated thereunder.

"Relevant Issuer" is defined in Section 8.2.7.

"Remaining Lender" is defined in clause (a) of Section 2.2.

"Replacement Notice" is defined in Section 5.12.

"Required Currency" is defined in Section 5.8.2.

"Required Lenders" means, at any time, Lenders having an aggregate Percentage of at least 65%.

"Revolving Note" means a promissory note of Micro payable to a Lender, in the form of Exhibit A-1 hereto (as such promissory note may be amended, endorsed or otherwise modified from time to time), evidencing the aggregate Indebtedness of Micro to such Lender resulting from outstanding Pro-Rata Revolving Loans, and also means all other promissory notes accepted from time to time in substitution therefor or renewal thereof.

"Ringgit" means the lawful currency of Malaysia.

"Royal Decree" means the Royal Decree of The Kingdom of Belgium recognizing Coordination Center as a coordination center under Belgian law, as the same may from time to time be amended, supplemented or otherwise modified by any new Royal Decree relating to the recognition of the Coordination Center as a coordination center under Belgium law.

"S&P" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc.

"Schillings" means the lawful currency of the Republic of Austria.

"Scotiabank" is defined in the preamble.

"Singapore Dollars" means the lawful currency of Singapore.

"Stated Amount" for any Letter of Credit on any day means the amount which is undrawn and available under such Letter of Credit on such day (after

giving effect to any drawings thereon on such day).

"Stated Expiry Date" is defined in Section 3.2.

"Stated Maturity Date" means, for each Lender, in the case of any Pro-Rata Revolving Loan, the then-effective Commitment Termination Date.

"Sterling" means the lawful currency of the United Kingdom of England and Wales.

"Subject Lender" is defined in Section 5.12.

"Subsidiary" means, with respect to any Person, any corporation, company, partnership or other entity of which more than fifty percent (50%) of the outstanding shares or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors of, or other persons performing similar functions for, such corporation, company, partnership or other entity (irrespective of whether at the time shares or other ownership interests of any other class or classes of such corporation, company, partnership or other entity shall or might have voting power upon the occurrence of any contingency) is at the time directly or indirectly owned by such Person, by such Person and one or more other Subsidiaries of such Person, or by one or more other Subsidiaries of such Person.

"Supplemental Borrowers" is defined in the preamble, and such term shall include any Acceding Borrowers party to this Agreement from time to time, together with their respective successors and assigns.

"Swiss Francs" means the lawful currency of Switzerland.

"Tax Credit" is defined in Section 5.7.

"Tax Payment" is defined in Section 5.7.

"Taxes" is defined in Section 5.7.

"Total Credit Commitment Amount" means, at any time, $1,000,000,000, as such amount may be reduced from time to time pursuant to Section 2.3.

"Total Indebtedness" means, at any date, the aggregate of all Indebtedness on such date of Micro and its Subsidiaries, without duplication and after eliminating all offsetting debits and credits between Micro and its Subsidiaries and all other items required to be eliminated in accordance with GAAP.

"Total Indebtedness of Subsidiaries" means, at any date, the aggregate of all Indebtedness on such date of all the Subsidiaries of Micro, without duplication and after eliminating all offsetting debits and credits between each of such Subsidiaries or between such a Subsidiary and Micro and all other items required to be eliminated in accordance with GAAP, excluding (a) all Indebtedness of any Subsidiary of Micro outstanding on the date hereof or incurred pursuant to any commitment or line of credit in its favor in effect on the date hereof, and any renewals or replacements thereof, so long as such renewals or replacements do not increase the amount of such Indebtedness or such commitments or lines of credit and (b) any Indebtedness of Ingram Funding Inc., Distribution Funding Corporation or any other special purpose financing vehicle incurred in connection with their purchase, directly or indirectly, from Micro or any of Micro's other Subsidiaries, of Trade Accounts Receivable or interests therein.

"Trade Accounts Receivable" means, with respect to any Person, all rights of such Person to the payment of money arising out of any sale, lease or other disposition of goods or rendition of services by such Person.

"Transferee Lender" is defined in Section 11.11.1.

"Transition Agreements" means those agreements and other instruments entered into by Micro, Industries, Entertainment and certain other Persons on or before the date hereof in connection with a series of related transactions through which Micro and Entertainment cease to be Subsidiaries of Industries, in each case as summarized in the annexes attached to the certificate referred to in Section 6.1.12, each as in effect on the date hereof (or, if later, the date the Investment is consummated), without giving effect to any amendment, modification or supplement thereafter except for such amendments, modifications or supplements after the date hereof, which, individually or taken as whole, do not materially alter the terms of such Transition Agreement or adversely affect Micro or any of its Subsidiaries.

"Type" means, relative to any Loan, the portion thereof, if any, being maintained as a Reference Rate Loan or a LIBO Rate Loan.

"United States" or "U.S." means the United States of America, its fifty States and the District of Columbia.

"Voting Stock" means, (a) with respect to a corporation, the stock of such corporation the holders of which are ordinarily, in the absence of contingencies, entitled to elect members of the board of directors (or other governing body) of such corporation, (b) with respect to any partnership, the partnership interests in such partnership the owners of which are entitled to manage the affairs of the partnership or vote in connection with the management of the affairs of the partnership or the designation of another Person as the Person entitled to manage the affairs of the partnership, and (c) with respect to any limited liability company, the membership interests in such limited liability company the owners of which are entitled to manage the affairs of such limited liability company or entitled to elect managers of such limited liability company (it being understood that, in the case of any partnership or limited liability company, "shares" of Voting Stock shall refer

to the partnership interests or membership interests therein, as the case may be).

"Welfare Plan" means a "welfare plan", as such term is defined in section 3(1) of ERISA.

"Withdrawing Lender" is defined in clause (a) of Section 2.2.

"Won" means the lawful currency of the Republic of Korea.

"Yen" means the lawful currency of Japan.

SECTION 1.2. Use of Defined Terms. Unless otherwise defined or the context otherwise requires, terms for which meanings are provided in this Agreement shall have such meanings when used in the Disclosure Schedule and in each Credit Extension Request, each other Loan Document, and each notice and other communication delivered from time to time in connection with this Agreement or any other Loan Document.

SECTION 1.3. Cross-References. Unless otherwise specified, references in this Agreement and in each other Loan Document to any Article, Section, clause or definition are references to such clause or definition of this Agreement or such other Loan Document, as the case may be, and, unless otherwise specified, references in any Article, Section, clause or definition to any section are references to such section of such Article, Section, clause or definition.

SECTION 1.4. Accounting and Financial Determinations.

(a) Unless otherwise specified, all accounting terms used herein or in any other Loan Document shall be interpreted, and all accounting determinations and computations hereunder or thereunder (including under Section 8.2.3) shall be made, in accordance with those U.S. generally accepted accounting principles ("GAAP") as applied in the preparation of the financial statements of Micro and its Consolidated Subsidiaries delivered pursuant to clause (a) of Section 6.1.5; provided, however, that the financial statements required to be delivered pursuant to clauses (a) and (b) of Section 8.1.1 shall be prepared in accordance with GAAP as in effect from time to time and the quarterly financial statements required to be delivered pursuant to clause (b) of Section 8.1.1 are not required to contain footnote disclosures required by GAAP and shall be subject to ordinary year-end adjustments.

(b) If, after the date hereof, there shall be any change to the Borrower's Fiscal Year, or any modification in GAAP used in the preparation of the financial statements delivered pursuant to clause (a) of Section 6.1.5 (whether such modification is adopted or imposed by FASB, the American Institute of Certified Public Accountants or any other professional body) which changes result in a change in the method of calculation of financial covenants, standards or terms found in this Agreement, the parties hereto agree promptly to enter into negotiations in order to amend such financial covenants, standards or terms so as to reflect equitably such changes, with the desired result that the evaluations of the Borrower's financial condition shall be the same after such changes as if such changes had not been made; provided, however, that until the parties hereto have reached a definitive agreement on such amendments, the Borrower's financial condition shall continue to be evaluated on the same principles as those used in the preparation of the financial statements delivered pursuant to clause (a) of Section 6.1.5.

SECTION 1.5. Calculations. Unless otherwise expressly stated to the contrary in this Agreement or in any other Loan Document, all calculations made for purposes of this Agreement, each other Loan Document and the transactions contemplated hereby and thereby shall be made to two decimal places.

ARTICLE II

COMMITMENTS, ETC.

SECTION 2.1. Commitments. On the terms and subject to the conditions of this Agreement (including ARTICLE VI), each Lender severally agrees that it will, from time to time on any Business Day occurring prior to the Commitment Termination Date,

(a) make loans in Dollars ("Pro-Rata Revolving Loans") to Micro equal to such Lender's Percentage of the aggregate amount of the Borrowing to be made on such Business Day, all in accordance with Section 3.1; provided, however, that no Lender shall be permitted or required to make any Pro-Rata Revolving Loan if, after giving effect thereto,

(i) such Lender's Outstanding Credit Extensions (excluding for this calculation Non-Rata Credit Extensions) would exceed an amount equal to such Lender's Percentage multiplied by the then Total Credit Commitment Amount, or

(ii) the aggregate Outstanding Credit Extensions of all the Lenders would exceed the then Total Credit Commitment Amount; and

(b) purchase participation interests in Dollars equal to its Percentage in each Pro-Rata Letter of Credit issued upon the application of Micro pursuant to Section 3.2; provided, however, that no Issuer (with respect to Pro-Rata Letters of Credit) shall issue a Pro-Rata Letter of Credit if, after giving effect thereto,

(i) the aggregate Letter of Credit Outstandings would exceed the then Letter of Credit Commitment Amount, or

(ii) the aggregate Outstanding Credit Extensions of all the Lenders would exceed the then Total Credit Commitment Amount.

All Pro-Rata Revolving Loans and Pro-Rata Letters of Credit (and drawings thereunder) shall be denominated solely in, and repaid in, Dollars. On and subject to the conditions hereof, Micro may from time to time borrow, prepay and reborrow Pro-Rata Revolving Loans and may apply for, extinguish or reimburse drawings made under and re-apply for Pro-Rata Letters of Credit. For purposes of this Section 2.1 and Section 3.3.3, the Dollar Amount on any date of Non-Rata Revolving Loans denominated in an Available Currency (other than Dollars) shall be calculated based upon the spot rate at which Dollars are offered on such day for such Available Currency which appears on Telerate Page 3740 at approximately 11:00 a.m. (London time) (and if such spot rate is not available on Telerate Page 3740 as of such time, such spot rate as quoted by NationsBank, in London at approximately 11:00 a.m. (London time)).

SECTION 2.2. Extensions of the Commitment Termination Date.

(a) If the Commitment Termination Date has not occurred, Micro may, on any Business Day occurring not earlier than May 1st, nor later than June 30th of the year immediately preceding the year in which the then-effective Commitment Termination Date occurs, deliver by registered or certified mail, return receipt requested, or by overnight courier service in the case of domestic deliveries (or the equivalent courier service in the case of deliveries outside of the United States) in which an acknowledgment of receipt of delivery is required from the recipient thereof, to each Lender (with a copy thereof to the Administrative Agent) three counterparts of a Commitment Extension Request appropriately completed. Not later than July 31st of the year immediately preceding the year in which the then-effective Commitment Termination Date occurs, each Lender shall, by appropriately completing, executing and delivering to Micro and the Administrative Agent the Commitment Extension Request delivered to it, indicate whether or not it intends to extend its Commitment pursuant to this Section 2.2. Any Lender failing to return its Commitment Extension Request to Micro as provided in the preceding sentence shall be deemed to have declined the extension of its Commitments as contemplated by this Section 2.2. Not later than August 15th of the year immediately preceding the year in which the then-effective Commitment Termination Date occurs, the Administrative Agent shall notify all of the Lenders as to the identity of those Lenders that have indicated their intention not to extend their respective Commitments (each a "Withdrawing Lender") and those Lenders that have extended their Commitments (each a "Remaining Lender").

(b) In the event that, as of the date the Administrative Agent delivers the notice provided for in the last sentence of paragraph (a) above, (i) neither NationsBank nor Scotiabank shall be a Remaining Lender and (ii) the Remaining Lenders shall hold, in the aggregate, less than 75% of the Commitments, then from such date until a date not later than August 31st of the year immediately preceding the year in which the then-effective Commitment Termination Date occurs, each Remaining Lender shall have the right to revoke (by delivering written notice thereof to Micro and the Administrative Agent) its consent to such extension of its Commitment provided pursuant to paragraph (a) of this Section (thereby becoming a Withdrawing Lender hereunder as of the day of such revocation). From and after the date the Administrative Agent delivers the notice provided for in the last sentence of paragraph (a) of this Section until a date not later than September 15th of the year immediately preceding the year in which the then-effective Commitment Termination Date occurs, the Remaining Lenders shall have the right to assume the Commitments of any Withdrawing Lenders in proportion to their respective share of the Commitments of such Remaining Lenders. If, as of September 30th of the year immediately preceding the year in which the then-effective Commitment Termination Date occurs, the Remaining Lenders hold, in the aggregate, less than 75% of the Commitments (after giving effect to any assumptions of the Commitments of Withdrawing Lenders completed in accordance with the preceding sentence on or prior to such date), the Commitments of all Lenders shall terminate and any Outstanding Credit Extensions will mature and be payable in full on the then-effective Commitment Termination Date.

(c) If, as of September 30th of the year immediately preceding the year in which the then-effective Commitment Termination Date occurs, the Remaining Lenders hold, in the aggregate, 75% or more of the Commitments (after giving effect to any assumptions of the Commitments of Withdrawing Lenders completed in accordance with the penultimate sentence of paragraph (b) above on or prior to such date), the Commitments of each Remaining Lender (including any Commitments assumed by any Remaining Lender in accordance with the penultimate sentence of paragraph (b) above) shall be extended for a period of one year (365 days or, if appropriate, 366 days) from the then-effective Commitment Termination Date, subject to the satisfaction of the conditions precedent to extension of the Commitments set forth in paragraph (f) of this Section. In the event the requirements for extension of the Commitments set forth in the preceding sentence shall be satisfied, from and after October 1st of the year immediately preceding the year in which the then-effective Commitment Termination Date occurs until a date not later than 30 days prior to the then-effective Commitment Termination Date, Micro may enter into an agreement with one or more new financial institutions reasonably acceptable to the Agents or with any Remaining Lender to assume the Commitments of the Withdrawing Lenders which have not been assumed in accordance with the penultimate sentence of paragraph (b) above. Any Commitments assumed by Remaining Lenders or

new financial institutions in accordance with the preceding sentence shall be extended for a period of one year (365 days or, if appropriate, 366 days) from the then-effective Commitment Termination Date, subject to the satisfaction of the conditions precedent to extension of the Commitments set forth in paragraph (f) of this Section.

(d) In the event the Commitments are extended in accordance with this Section, the Outstanding Credit Extensions made by any Withdrawing Lender that are not assumed or purchased pursuant to paragraph (b) or (c) of this Section will mature and be payable in full on the then-effective Commitment Termination Date, and the Commitments of each such Withdrawing Lender shall thereupon terminate. On the then-effective Commitment Termination Date, the Total Credit Commitment Amount will be automatically reduced by an amount equal to the product of

(i) the sum of the Percentages of all the Withdrawing Lenders that were not assumed or purchased pursuant to paragraph (b) or (c) of this Section, and

(ii) the Total Credit Commitment Amount on such Commitment Termination Date immediately prior to such calculation.

The Percentages of the Remaining Lenders shall be adjusted by the Administrative Agent based upon each such Remaining Lender's pro rata share of the remaining Total Credit Commitment Amount.

(e) The decision of each Lender to extend its Commitments or assume or purchase the Commitments of any Withdrawing Lender pursuant to this Section 2.2 shall be exercised by it in its sole and absolute discretion, including without reference to any or all of the stated desires of any other Lender Party or Micro. All assignments made pursuant to this Section 2.2 shall be made in accordance with Section 11.11.1, except that any such assignment may be in any minimum amount or multiple thereof which results from the operation of this Section 2.2 and shall not require the consent of Micro or the Administrative Agent.

(f) Any extension of the Commitments in accordance with this Section shall become effective only upon (i) the satisfaction of the requirements for extension set forth herein and (ii) the delivery by Micro to the Administrative Agent and each Lender, on or prior to the then-effective Commitment Termination Date, of (A) executed replacement Notes reflecting, without limitation, any changes in the identity or Percentages of the Lender Parties and the Total Credit Commitment Amount, and (B) copies of such other legal opinions, approvals, instruments or documents as the Administrative Agent or any Remaining Lender may reasonably request. Upon their receipt of the replacement Notes required to be delivered pursuant to clause (A) above, the Remaining Lenders shall mark the relevant predecessor Notes "exchanged" and deliver the same to Micro.

SECTION 2.3. Reductions of the Commitment Amounts. Micro may, from time to time on any Business Day, voluntarily reduce the Total Credit Commitment Amount or the Letter of Credit Commitment Amount; provided, however, that

(a) all such reductions shall require at least three and not more than five Business Days' prior notice to the Administrative Agent and shall be permanent, and any partial reduction thereof shall be in a minimum amount of $10,000,000 and in an integral multiple of $1,000,000 (or, if less, in an amount equal to the Total Credit Commitment Amount at such time); and

(b) Micro shall not voluntarily reduce the Total Credit Commitment Amount or the Letter of Credit Commitment Amount pursuant to this Section to an amount which, on the date of proposed reduction, is less than the aggregate Outstanding Credit Extensions of all the Lenders.

ARTICLE III

BORROWING PROCEDURES, LETTERS OF CREDIT AND REGISTERS

SECTION 3.1. Borrowing Procedure for Pro-Rata Revolving Loans.

(a) On any Business Day occurring on or prior to the Commitment Termination Date, Micro may from time to time irrevocably request, by delivering on or prior to 1:00 p.m., Eastern time, on such Business Day a Borrowing Request to the Administrative Agent, (i) in the case of LIBO Rate Loans, not less than three nor more than five Business Days before the date of the proposed Borrowing, or (ii) in the case of Reference Rate Loans, on or before the Business Day of but not more than three Business Days before the date of the proposed Borrowing, that a Borrowing be made in a minimum amount of $25,000,000 and an integral multiple of $1,000,000, or if less, in the unused amount of the Total Credit Commitment Amount. Upon the receipt of each Borrowing Request, the Administrative Agent shall give prompt notice thereof to each Lender on the same day such Borrowing Request is received. On the terms and subject to the conditions of this Agreement, each Borrowing shall be comprised of the Type of Loans, and shall be made on the Business Day, specified in such Borrowing Request. On or before 2:30 p.m., Eastern time, on such Business Day, each Lender shall deposit with the Administrative Agent (to an account specified by the Administrative Agent to each Lender from time to time) same day funds in an amount equal to such Lender's Percentage of the requested Borrowing.

To the extent funds are received from the Lenders, the Administrative Agent shall make such funds available to Micro by wire transfer to the accounts Micro shall have specified in its Borrowing Request. No Lender's obligation to make any Pro-Rata Revolving Loan shall be affected by any other Lender's failure to make any Pro-Rata Revolving Loan.

(b) Each Lender's Pro-Rata Revolving Loans shall be evidenced by a single Revolving Note payable to such Lender. Micro hereby irrevocably authorizes each Lender to make (or cause to be made) appropriate entries and endorsements on Schedule I to the Revolving Note payable to such Lender, which entries, if made, shall evidence, inter alia, the date of, the Type of, the advance period (if applicable) of, the Maturity of, the outstanding principal of, interest payable on and any repayments of Pro-Rata Revolving Loans made by such Lender to Micro pursuant hereto. Any such entries indicating the outstanding principal amount of such Lender's Pro-Rata Revolving Loans and interest payable thereon shall be prima facie evidence of the principal amount thereof owing and unpaid and interest payable thereon, but the failure to make any such entry shall not limit or otherwise affect the obligations of Micro hereunder to make payments of principal of or interest on such Pro-Rata Revolving Loans when due.

SECTION 3.2. Pro-Rata Letter of Credit Issuance Procedures. By delivering to the Administrative Agent an Issuance Request on or before 1:00 p.m., Eastern time, on any Business Day occurring prior to the Commitment Termination Date, Micro may from time to time request that an Issuer (with respect to Pro-Rata Letters of Credit) issue a Pro-Rata Letter of Credit. Each such request shall be made on not less than two Business Days' notice (or such shorter period as may be agreed to by the Administrative Agent), and not less than 30 days prior to the Commitment Termination Date. Upon receipt of an Issuance Request, the Administrative Agent shall promptly on the same day notify the applicable Issuer (if other than NationsBank or Scotiabank) and each Lender thereof. Each Pro-Rata Letter of Credit shall by its terms be denominated in Dollars and be stated to expire (whether originally or after giving effect to any extension) on a date (its "Stated Expiry Date") no later than three days prior to the Commitment Termination Date. Micro and the relevant Issuer may amend or modify any issued Pro-Rata Letter of Credit upon written notice to the Administrative Agent only; provided, however, that any amendment constituting an extension of such Pro-Rata Letter of Credit's Stated Expiry Date shall comply with the provisions of the immediately preceding sentence and may be made only if the Commitment Termination Date has not occurred and any amendment constituting an increase in the Stated Amount of such Pro-Rata Letter of Credit shall be deemed a request for the issuance of a new Pro-Rata Letter of Credit and shall comply with the foregoing provisions of this paragraph.

Upon satisfaction of the terms and conditions hereunder, the relevant Issuer will issue each Pro-Rata Letter of Credit to be issued by it and will make available to the beneficiary thereof the original of such Pro-Rata Letter of Credit.

SECTION 3.2.1. Other Lenders' Participation. Automatically, and without further action, upon the issuance of each Pro-Rata Letter of Credit, each Lender (other than the Issuer of such Pro-Rata Letter of Credit) shall be deemed to have irrevocably purchased from the relevant Issuer, to the extent of such Lender's Percentage (and without giving effect to the outstanding Non-Rata Credit Extensions, if any, of any Lender), a participation interest in such Pro-Rata Letter of Credit (including any Pro-Rata Reimbursement Obligation and any other Contingent Liability with respect thereto), and such Lender shall, to the extent of its Percentage, be responsible for reimbursing promptly (and in any event within one Business Day after receipt of demand for payment from the Issuer, together with accrued interest from the day of such demand) the relevant Issuer for any Pro-Rata Reimbursement Obligation which has not been reimbursed in accordance with Section 3.2.3. In addition, such Lender shall, to the extent of its Percentage, be entitled to receive a ratable portion of the Pro-Rata Letter of Credit participation fee payable pursuant to clause (a) of Section 4.3.3 with respect to each Pro-Rata Letter of Credit and a ratable portion of any interest payable pursuant to Sections 3.2.2. and 4.2.

SECTION 3.2.2. Disbursements. Subject to the terms and provisions of each Pro-Rata Letter of Credit and this Agreement, upon presentment under any Pro-Rata Letter of Credit to the Issuer thereof for payment, such Issuer shall make such payment to the beneficiary (or its designee) of such Pro-Rata Letter of Credit on the date designated for such payment (the "Disbursement Date"). Such Issuer will promptly notify Micro and each of the Lenders of the presentment for payment of any such Pro-Rata Letter of Credit, together with notice of the Disbursement Date thereof. Prior to 12:00 noon, Eastern time, on the next Business Day following the Disbursement Date, Micro will reimburse the Administrative Agent, for the account of such Issuer, for all amounts disbursed under such Pro-Rata Letter of Credit, together with all interest accrued thereon since the Disbursement Date. To the extent the Administrative Agent does not receive payment in full, on behalf of the relevant Issuer on the Disbursement Date, Micro's Pro-Rata Reimbursement Obligation shall accrue interest at a fluctuating rate equal to the Reference Rate plus 1/2 of 1% per annum, payable on demand. In the event Micro fails to notify the Administrative Agent and the relevant Issuer prior to 1:00 p.m., Eastern time, on the Disbursement Date that Micro intends to pay the Administrative Agent, for the account of such Issuer, for the amount of such drawing with funds other than proceeds of Pro-Rata Revolving Loans, or the Administrative Agent does not receive such reimbursement payment from Micro prior to 1:00 p.m., Eastern time on the Disbursement Date (or if the relevant Issuer must for any reason return or disgorge such reimbursement), the Administrative Agent shall promptly notify the Lenders, and Micro shall be deemed to have given a timely

Borrowing Request as of the Disbursement Date for Pro-Rata Revolving Loans in an aggregate principal amount equal to such Pro-Rata Reimbursement Obligation and the Lenders (including the relevant Issuer) shall, on the terms and subject to the conditions of this Agreement (including, without limitation, Sections 6.1 and 6.2 hereof), make Pro-Rata Revolving Loans in the amount of such Pro-Rata Reimbursement Obligation which shall be Reference Rate Loans as provided in Section 3.1; provided, however, that for the purpose of determining the availability of any unused Total Credit Commitment Amount immediately prior to giving effect to the application of the proceeds of such Pro-Rata Revolving Loans, such Pro-Rata Reimbursement Obligation shall be deemed not to be outstanding at such time. In the event that the conditions precedent to any Pro-Rata Revolving Loans deemed requested by Micro as provided in the preceding sentence shall not be satisfied at the time of such deemed request, the Lenders (including the relevant Issuer) shall make demand loans on such date for the benefit of Micro, ratably, in accordance with their respective Percentages, which loans shall: (a) aggregate in principal amount an amount equal to the applicable Pro-Rata Reimbursement Obligations; (b) be applied solely to the prompt satisfaction of such Pro-Rata Reimbursement Obligations; (c) be payable by Micro upon demand; and (d) accrue interest on the unpaid principal amount thereof from (and including) the date on which such demand loan is made until the date such loan is paid by Micro in full, at a rate per annum equal to the Reference Rate plus 2% per annum.

SECTION 3.2.3. Reimbursement. The obligation (the "Pro-Rata Reimbursement Obligation") of Micro under Section 3.2.2. to reimburse the relevant Issuer with respect to each disbursement under a Pro-Rata Letter of Credit (including interest thereon), and, upon the failure of Micro to reimburse such Issuer, the obligation of each Lender to reimburse such Issuer, shall be absolute and unconditional under any and all circumstances and irrespective of any set-off, counterclaim or defense to payment which Micro or such Lender, as the case may be, may have or have had against the relevant Issuer or any Lender, including any defense based upon the failure of any disbursement under a Pro-Rata Letter of Credit to conform to the terms of the applicable Pro-Rata Letter of Credit (if, in the relevant Issuer's good faith opinion, such disbursement is determined to be appropriate) or any non-application or misapplication by the beneficiary of the proceeds of such Pro-Rata Letter of Credit; provided, however, that nothing herein shall require Micro or such Lender, as the case may be, to reimburse an Issuer for any wrongful disbursement made by such Issuer under a Pro-Rata Letter of Credit as a result of acts or omissions finally determined by a court of competent jurisdiction to constitute gross negligence or willful misconduct on the part of such Issuer.

SECTION 3.2.4. Deemed Disbursements. Upon the occurrence and during the continuation of any Event of Default of the type described in Section 9.1.9 or, with notice from the Administrative Agent given at the direction of the Required Lenders, upon the occurrence and during the continuation of any other Event of Default, an amount equal to the then aggregate amount of all Letters of Credit (including Non-Rata Letters of Credit) which are undrawn and available under all issued and outstanding Letters of Credit shall, without demand upon or notice to Micro, be deemed to have been paid or disbursed by the Issuer under such Letters of Credit (notwithstanding that such amount may not in fact have been so paid or disbursed) and Micro shall be immediately obligated to pay to the Issuer of each Letter of Credit an amount equal to such amount. Any amounts so payable by Micro pursuant to this Section shall be deposited in cash with the Administrative Agent and held in trust (for the sole benefit of the relevant Issuer and the Lenders) for payment of the Obligations arising in connection with such Letters of Credit. If such Event of Default shall have been cured or waived (and provided no other Default has occurred and is continuing and the Obligations have not been accelerated pursuant to Section 9.2 or 9.3), the Administrative Agent shall promptly return to Micro all amounts deposited by it with the Administrative Agent pursuant to this clause (together with accrued interest thereon at the Federal Funds Rate or such other interest rate based upon a cash equivalent investment (in the form of obligations issued by or guaranteed by the U.S. government, commercial paper of a domestic corporation rated A-1 by S&P or a comparable rating from another nationally recognized rating agency or certificates of deposit of a U.S. or Canadian bank with (x) a credit rating of Aa or better by S&P or a comparable rating from another nationally recognized rating agency and (y) a combined capital and surplus greater than $250,000,000) which is agreed to between the relevant Issuer and Micro), net of any amount (which may include accrued interest) applied to the payment of any Obligations with respect to the Pro-Rata Letters of Credit.

SECTION 3.2.5. Nature of Reimbursement Obligations. Micro and, to the extent set forth in Section 3.2.1, each Lender shall assume all risks of the acts, omission or misuse of any Letter of Credit by the beneficiary thereof. No Issuer (with respect to Pro-Rata Letters of Credit and Non-Rata Letters of Credit) or any Lender (except to the extent of its own gross negligence or willful misconduct) shall be responsible for:

(a) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for an issuance of a Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged;

(b) the form, validity, sufficiency, accuracy, genuineness or legal effect of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or the proceeds thereof in whole or in part, which may prove to be invalid or ineffective for any reason;

(c) failure of the beneficiary to comply fully with conditions required in order to demand payment under a Letter of Credit; provided, however, if a payment is made pursuant to such Letter of Credit when a

beneficiary has failed to comply with the conditions therefor and such failure to comply is manifest on the face of such Letter of Credit or the documents submitted by the beneficiary in connection therewith, Micro shall be required to indemnify the Issuer in connection therewith only if, and to the extent, Micro or any of its Subsidiaries has received the benefit of such payment on such Letter of Credit by one or more of their obligations being satisfied, either in whole or in part;

(d) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, telecopy or otherwise; or

(e) any loss or delay in the transmission or otherwise of any document or draft required in order to make a disbursement under a Letter of Credit.

None of the foregoing shall affect, impair or prevent the vesting of any of the rights or powers granted to any Issuer or any Lender hereunder. In furtherance and extension and not in limitation or derogation of any of the foregoing (but subject to the limitations set forth in clause (c) above), any action taken or omitted to be taken by an Issuer in good faith (and not constituting gross negligence or willful misconduct as finally determined by a court of competent jurisdiction) shall be binding upon Micro and, with respect to Pro-Rata Letters of Credit, each Lender, and shall not put such Issuer under any resulting liability to Micro or, with respect to Pro-Rata Letters of Credit, any Lender.

SECTION 3.3. Non-Rata Revolving Loan Facility.

SECTION 3.3.1. Non-Rata Revolving Loans. Any Borrower may from time to time, on any Business Day prior to the Commitment Termination Date, request that any Lender make a Loan (relative to such Lender, a "Non-Rata Revolving Loan") denominated in any Available Currency. The Borrower shall make such request to the applicable office of such Lender set forth on Schedule II or to such other office as a Lender may notify the Borrowers pursuant to Section 11.2. Such Lender may in its sole and absolute discretion agree to make or not make such Non-Rata Revolving Loan, it being understood and agreed that the Lenders' Commitments only require the making by them of Pro-Rata Revolving Loans and participation in or issuance of Pro-Rata Letters of Credit (subject to the terms and conditions contained herein). Except as otherwise provided herein and subject in each case to the satisfaction of the applicable conditions precedent set forth in Sections 6.1 and 6.2 hereof, each Non-Rata Revolving Loan shall be made on the terms and conditions agreed to between the relevant Borrower and the relevant Lender; provided, however, that the Obligations of Micro with respect to each Pro-Rata Credit Extension shall rank pari passu with the Obligations of each Borrower with respect to each Non-Rata Revolving Loan.

SECTION 3.3.2. Ineligible Currencies. Notwithstanding any other provision contained in this Agreement, if, at any time prior to the Commitment Termination Date, the relevant Lender of a Non-Rata Revolving Loan determines that the Available Currency in which such Non-Rata Revolving Loan has been made is an Ineligible Currency, then such Lender may (in its sole discretion) at any time notify the relevant Borrower of the same. Promptly after receiving such notice and, in any event, within five Business Days of receiving the same, such Borrower will notify such Lender as to what Available Currency it desires such Non-Rata Revolving Loan to be converted into and promptly thereafter such Lender shall so convert such Loans. If the relevant Borrower fails to select another Available Currency as provided in the preceding sentence, such other Available Currency shall be selected by the relevant Lender. Such conversion shall be effected at the relevant spot rate at which such Ineligible Currency is offered on such day for the selected Available Currency which appears on Telerate Page 3740 at approximately 11:00 a.m. (London time) (and if such spot rate is not available on Telerate Page 3740 as of such time, such spot rate as quoted by NationsBank, in London at approximately 11:00 a.m. (London time)), or, if no such spot rate shall exist, such other rate of exchange as the relevant Lender shall reasonably determine.

SECTION 3.3.3. Limitations on Making Non-Rata Revolving Loans. Subject to the last sentence of Section 2.1, no Lender shall be permitted to make any Non-Rata Revolving Loan if, after giving effect thereto, either the aggregate Outstanding Credit Extensions of all the Lenders would exceed the then Total Credit Commitment Amount or the aggregate Outstanding Credit Extensions consisting of Non-Rata Credit Extensions would exceed $750,000,000.

SECTION 3.3.4. Procedure for Making Non-Rata Revolving Loans. Subject to the terms and conditions of this Agreement, including Section 3.3.1, the terms of each Non-Rata Revolving Loan shall be mutually agreed upon between the relevant Borrower and the relevant Lender. If the relevant Borrower and the relevant Lender agree to an interest rate for a Non-Rata Revolving Loan by reference to a fixed rate of interest (such as, for example, the LIBO Rate) to be subsequently determined and such Lender subsequently determines (which determination shall be conclusive and binding on the relevant Borrower and such Lender) on or prior to the scheduled date of making such Non-Rata Revolving Loan and promptly notifies the relevant Borrower that such interest rate is unascertainable or that deposits in the relevant interbank market are not available to such Lender in the relevant Available Currency, then such Lender (except to the extent otherwise agreed between such Lender and the relevant Borrower) shall not be obligated to make such Non-Rata Revolving Loan. In connection with each Lender agreeing to make a Non-Rata Revolving Loan calculated based upon a fixed rate of interest, such Lender shall, in accordance with its customary practices, attempt to determine the relevant interest rate or obtain the relevant deposits in the relevant Available Currency necessary to make such Non-Rata Revolving Loan.

SECTION 3.3.5. Maturity of Non-Rata Revolving Loans. Subject to

Section 3.3.2, each Non-Rata Revolving Loan shall be repaid in the Available Currency in which such Loan was made on the Maturity thereof or on any earlier date agreed upon by the relevant Borrower and the relevant Lender or required by the other terms and conditions of this Agreement. Each Borrower may prepay any Non-Rata Revolving Loan on such terms and conditions as such Borrower and the relevant Lender may agree.

SECTION 3.3.6. Non-Rata Revolving Loan Records. Subject to Section 3.3.7, each Lender's Non-Rata Revolving Loans shall be evidenced by a loan account maintained by such Lender. Each Borrower hereby irrevocably authorizes the relevant Lender to make (or cause to be made) appropriate account entries, which account entries, if made, shall evidence, inter alia, the date of, the Type of, the currency of, the advance period (if applicable) of, the Maturity of, the outstanding principal of, interest payable on and any repayments of Non-Rata Revolving Loans made by such Lender to such Borrower pursuant hereto. Any such account entries indicating the outstanding principal amount of such Lender's Non-Rata Revolving Loans and interest payable thereon shall be prima facie evidence of the principal amount thereof owing and unpaid and interest payable thereon, but the failure to make any such entry shall not limit or otherwise affect the obligations of any Borrower hereunder to make payments of principal of or interest on such Non-Rata Revolving Loans when due.

SECTION 3.3.7. Quarterly Report. During the period commencing on the date hereof and ending on the Commitment Termination Date, Micro shall submit (together with each set of reports and financial statements of Micro and its Consolidated Subsidiaries delivered pursuant to Section 8.1.1 (a) and (b)) a Quarterly Report to the Administrative Agent in respect of the most recently ended Fiscal Period. In addition, Micro agrees to provide to the Administrative Agent updates with respect to the information provided in the Quarterly Reports at such other times as the Administrative Agent may reasonably request from time to time.

SECTION 3.4. Non-Rata Letter of Credit Facility.

SECTION 3.4.1. Non-Rata Letters of Credit. Any Borrower may from time to time, on any Business Day prior to the Commitment Termination Date, request that any Lender issue a letter of credit (relative to such Lender, a "Non-Rata Letter of Credit") denominated in any Available Currency. Such Lender may in its sole and absolute discretion agree to issue or not issue such Non-Rata Letter of Credit, it being understood and agreed that the Lenders' Commitments only require the making by them of Pro-Rata Revolving Loans and participation in or issuance of Pro-Rata Letters of Credit (subject to the terms and conditions contained herein). Except as otherwise provided herein and subject in each case to the satisfaction of the applicable conditions precedent set forth in Sections 6.1 and 6.2 hereof, each Non-Rata Letter of Credit shall be issued on the terms and conditions agreed to between the relevant Borrower and the relevant Lender; provided, however, that the Obligations of Micro with respect to each Pro-Rata Credit Extension shall rank pari passu with the Obligations of each Borrower with respect to each Non-Rata Letter of Credit.

SECTION 3.4.2. Ineligible Currencies. Notwithstanding any other provision contained in this Agreement, if, at any time prior to the Commitment Termination Date, the relevant Issuer of a Non-Rata Letter of Credit determines that the Available Currency in which such Non-Rata Letter of Credit has been issued is an Ineligible Currency, then such Issuer may (in its sole discretion) at any time notify the relevant Borrower of the same. Such Borrower shall use reasonable efforts to cause the beneficiary of such Non-Rata Letter of Credit to accept a substitution for such Non-Rata Letter of Credit with another Non-Rata Letter of Credit in an Available Currency acceptable to such Borrower and such Issuer.

SECTION 3.4.3. Limitations on Issuing Non-Rata Letters of Credit. Subject to the last sentence of Section 2.1, no Lender shall be permitted to issue any Non-Rata Letters of Credit if, after giving effect thereto, either the aggregate Outstanding Credit Extensions of all the Lenders would exceed the then Total Credit Commitment Amount or the aggregate Outstanding Credit Extensions consisting of Non-Rata Credit Extensions would exceed $750,000,000.

SECTION 3.4.4. Procedures for Issuing Non-Rata Letters of Credit. Subject to the terms and conditions of this Agreement, including Section 3.4.1, the terms of each Non-Rata Letter of Credit shall be mutually agreed upon between the relevant Borrower and the relevant Issuer.

SECTION 3.4.5. Disbursements. Subject to the terms and provisions of each Non-Rata Letter of Credit and this Agreement, upon presentment of any Non-Rata Letter of Credit to the relevant Issuer thereof for payment, such Issuer shall make such payment to the beneficiary (or its designee) of such Non-Rata Letter of Credit on the date designated for such payment (the "Non-Rata Disbursement Date"). Such Issuer will promptly notify the relevant Borrower of the presentment for payment of any such Non-Rata Letter of Credit, together with notice of the Non-Rata Disbursement Date thereof. Prior to 12:00 noon, Eastern time, on the next Business Day following the Non-Rata Disbursement Date, the relevant Borrower will reimburse such Issuer for all amounts disbursed under such Non-Rata Letter of Credit, together with all interest, if any, that such Borrower shall have agreed to pay that shall have accrued thereon since the Non-Rata Disbursement Date.

SECTION 3.4.6. Reimbursement. The obligation (the "Non-Rata Reimbursement Obligation") of the relevant Borrower under Section 3.4.5. to reimburse an Issuer with respect to each disbursement under a Non-Rata Letter of Credit (including interest thereon) issued by such Issuer, shall be absolute and unconditional under any and all circumstances and irrespective of any set-off, counterclaim or defense to payment which such

Borrower or any other Borrower may have or have had against such Issuer, including any defense based upon the failure of any disbursement under a Non-Rata Letter of Credit to conform to the terms of the applicable Non-Rata Letter of Credit (if, in the applicable Issuer's good faith opinion, such disbursement is determined to be appropriate) or any non-application or misapplication by the beneficiary of the proceeds of such Non-Rata Letter of Credit; provided, however, that nothing herein shall require such Borrower to reimburse the applicable Issuer for any wrongful disbursement made by such Issuer under a Non-Rata Letter of Credit as a result of acts or omissions finally determined by a court of competent jurisdiction to constitute gross negligence or willful misconduct on the part of such Issuer. Subject to Section 3.4.2, each Non-Rata Letter of Credit shall be reimbursed in the Available Currency in which such Non-Rata Letter of Credit was issued.

SECTION 3.5. Bid Rate Facility.

SECTION 3.5.1. Bid Rate Loans. Any Borrower may, on the terms and conditions of this Agreement, request the Lenders to make offers to make Bid Rate Loans to such Borrower. The Lenders may, but shall have no obligation to, make such offers and the relevant Borrower may, but shall have no obligation to, accept any such offers in the manner set forth in this Section 3.5. Except as otherwise provided herein and subject in each case to the satisfaction of the applicable conditions precedent set forth in Sections 6.1 and 6.2 hereof, each Bid Rate Loan shall be made on the terms and conditions agreed to between the relevant Borrower and the relevant Lender; provided, however, that the Obligations of Micro with respect to each Pro-Rata Credit Extension shall rank pari passu with the Obligations of each Borrower with respect to each Bid Rate Loan.

SECTION 3.5.2. Quote Request. When a Borrower wishes to request offers to make Bid Rate Loans, it shall give each of the Lenders (excluding any Lender that has previously notified the Borrowers that it will not participate in any LIBO Auctions or Absolute Interest Rate Auctions) notice by telephone or telecopy (a "Quote Request") so as to be received at the applicable office of each such Lender set forth on Schedule II or to such other office as a Lender may notify the Borrowers pursuant to Section 11.2 no later than (a) 3:00 p.m., Eastern time, on the fourth Business Day prior to the date of borrowing proposed therein, in the case of a LIBO Auction or (b) 11:00 a.m., Eastern time, on the date of borrowing proposed therein, in the case of an Absolute Interest Rate Auction. The relevant Borrower may request offers to make Bid Rate Loans for up to five different Interest Periods in a single notice; provided, however, that the request for each separate Interest Period shall be deemed to be a separate Quote Request for a separate borrowing (a "Bid Rate Borrowing"). Each Bid Rate Borrowing shall be at least $10,000,000 (or an integral multiple of $1,000,000 in excess thereof).

SECTION 3.5.3. Submission of Quotes. Each Lender may submit one or more Quotes, each containing an offer to make a Bid Rate Loan in response to any Quote Request; provided, however, that, if the relevant Borrower's request under Section 3.5.2 specified more than one Interest Period, such Lender may make a single submission containing one or more Quotes for each such Interest Period. Each Quote must be submitted to the relevant Borrower not later than (a) 11:00 a.m., Eastern time, on the third Business Day immediately prior to the proposed date of borrowing, in the case of a LIBO Auction or (b) 12:00 noon, Eastern time, on the proposed date of borrowing, in the case of an Absolute Interest Rate Auction. Subject to Sections 5.1 through 5.5 and 6.2 and Article IX, any Quote so made shall be irrevocable. Each Quote shall specify: (i) the proposed date of borrowing and the Interest Period therefor; (ii) the principal amount of the Bid Rate Loan for which each such offer is being made, which principal amount shall be at least $10,000,000 (or an integral multiple of $1,000,000 in excess thereof); provided, however, that the aggregate principal amount of all Bid Rate Loans for which a Lender submits Quotes may not exceed the principal amount of the Bid Rate Borrowing for a particular Interest Period for which offers were requested; (iii) in the case of a LIBO Auction, the margin above or below the applicable LIBO Rate (the "LIBO Margin") offered for each such Bid Rate Loan, ex pressed as a percentage (rounded upwards, if necessary, to the nearest 1/100th of 1%) to be added to or subtracted from the applicable LIBO Rate; (iv) in the case of an Absolute Interest Rate Auction, the rate of interest per annum offered for each such Bid Rate Loan (the "Absolute Interest Rate"); and (v) the identity of the quoting Lender. No Quote shall contain qualifying, conditional or similar language or propose terms other than or in addition to those of the Quote Request and, in particular, no Quote may be conditioned upon acceptance by the relevant Borrower of all (or some specified minimum) of the principal amount of the Bid Rate Loan for which such Quote is being made.

SECTION 3.5.4. Acceptance of Quotes. Not later than (a) 11:00 a.m., Eastern time, on the second Business Day immediately prior to the proposed date of borrowing, in the case of a LIBO Auction or (b) 2:00 p.m., Eastern time, on the proposed date of borrowing, in the case of an Absolute Interest Rate Auction, the relevant Borrower shall notify each Lender by telephone or telecopy of such Borrower's acceptance or nonacceptance of the Quotes submitted to such Borrower by such Lender. The failure of the relevant Borrower to give such notice by such time shall constitute nonacceptance of any such Quote. Such Borrower may accept any Quote in whole or in part (provided that any Quote accepted in part shall be at least $10,000,000 or an integral multiple of $1,000,000 in excess thereof); provided, however, that: (i) subject to the limitations set forth in clause (ii), (iii) or (iv) of this proviso, if two or more Lenders submit Quotes for any Interest Period at identical pricing and the relevant Borrower accepts any of such offers but does not wish to (or by reason of the limitations set forth in clause (ii), (iii) or (iv) of this proviso, cannot) accept the aggregate principal amount of the Bid Rate Loans offered by such Lenders, such Borrower shall accept Bid Rate Loans from all of such

Lenders in amounts allocated among them pro rata according to the respective principal amounts of the respective Bid Rate Loans originally offered by such Lenders (or as nearly pro rata as shall be practicable in light of the limitations set forth in clauses (ii), (iii) and (iv) of this proviso), (ii) the aggregate principal amount of each Bid Rate Borrowing may not exceed the applicable amount set forth in the related Quote Request; (iii) the aggregate principal amount of each Bid Rate Borrowing shall be at least $10,000,000 (or an integral multiple of $1,000,000 in excess thereof) but shall not cause the limits specified in Section 3.5.8 to be violated; and (iv) the relevant Borrower may not accept any offer that fails to comply with Section 3.5.3 or otherwise fails to comply with the requirements of this Agreement.

SECTION 3.5.5. Bid Rate Loan. Any Lender whose offer to make any Bid Rate Loan has been accepted shall, not later than 3:00 p.m., Eastern time, on the date specified for the making of such Loan and subject to the other terms and conditions of this Agreement, make the amount of such Bid Rate Loan available to the relevant Borrower at such Borrower's Account in immediately available funds.

SECTION 3.5.6. Maturity of Bid Rate Loans. Each Bid Rate Loan shall be repaid on the Maturity thereof or on any earlier date agreed upon by the relevant Borrower and the relevant Lender or required by the other terms and conditions of this Agreement. The relevant Borrower may prepay any Bid Rate Loan on such terms and conditions as such Borrower and the relevant Lender may agree.

SECTION 3.5.7. Bid Rate Loan Records. Each Lender's Bid Rate Loans, if any, shall be evidenced by a loan account maintained by such Lender. Each Borrower hereby irrevocably authorizes the relevant Lender to make (or cause to be made) appropriate account entries, which account entries, if made, shall evidence, inter alia, the date of, the Type of, the currency of, the advance period (if applicable) of, the Maturity of, the outstanding principal of, interest payable on and any repayments of Bid Rate Loans made by such Lender to such Borrower pursuant hereto. Any such account entries indicating the outstanding principal amount of such Lender's Bid Rate Loans and interest payable thereon shall be prima facie evidence of the principal amount thereof owing and unpaid and interest payable thereon, but the failure to make any such entry shall not limit or otherwise affect the obligations of any Borrower hereunder to make payments of principal of or interest on such Bid Rate Loans when due.

SECTION 3.5.8 Limitations on Making Bid Rate Loans. Subject to the last sentence of Section 2.1, no Lender shall be permitted to make any Bid Rate Loan if, after giving effect thereto, either the aggregate Outstanding Credit Extensions of all the Lenders would exceed the then Total Credit Commitment Amount or the aggregate Outstanding Credit Extensions consisting of Non-Rata Credit Extensions would exceed $750,000,000.

ARTICLE IV

PRINCIPAL, INTEREST AND FEE PAYMENTS

SECTION 4.1. Repayments and Prepayments of Pro-Rata Revolving Loans. Micro shall repay in full the unpaid principal amount of each Pro-Rata Revolving Loan outstanding to it at the Maturity thereof. Prior thereto, Micro:

(a) may, from time to time on any Business Day, make a voluntary prepayment, in whole or in part, of the outstanding principal amount of any Pro-Rata Revolving Loan; provided, however, that:

(i) any such prepayment of any Pro-Rata Revolving Loan shall be allocated to each Lender pro rata according to such Lender's Percentage (calculated on the date such Pro-Rata Revolving Loans were made) of the Pro-Rata Revolving Loans so prepaid (and, for the avoidance of doubt, no such prepayment shall be allocated to any Lender which did not participate in the making of the Pro-Rata Revolving Loans to be prepaid);

(ii) no such prepayment of any Pro-Rata Revolving Loan that is a LIBO Rate Loan may be made on any day other than the last day of the Interest Period then applicable to such LIBO Rate Loan unless all the losses or expenses incurred by the Lenders in connection therewith pursuant to Section 5.4 are paid in full contemporaneously with such prepayments;

(iii) all such voluntary prepayments shall require prior notice to the Administrative Agent of (x) at least three but no more than five Business Days in the case of LIBO Rate Loans and (y) not more than three Business Days but no later than the date of such voluntary prepayment in the case of Reference Rate Loans; and

(iv) all such voluntary prepayments shall, if other than a prepayment in whole, be in an aggregate minimum amount of $10,000,000 and an integral multiple of $1,000,000;

(b) shall determine if the aggregate Outstanding Credit Extensions of all the Lenders exceed the Total Credit Commitment Amount (i) at the end of each Fiscal Period and (ii) on the date of each request for a Credit Extension (excluding any request submitted in respect of any continuation or conversion of any Borrowing previously made hereunder), and promptly thereafter (and in any event (A) in respect of any determination made pursuant to clause (i) above, no later than the next date on which Micro shall be required to submit a

Quarterly Report in accordance with Section 3.3.7 or (B) in respect of any determination made pursuant to clause (ii) above, prior to the proposed date of such requested Credit Extension), Micro shall make a mandatory prepayment of the outstanding principal amount of such Loans as Micro may select in an amount equal to such excess, such prepayment to be allocated to the Lenders in such manner as Micro may elect (provided; that a prepayment of a Pro-Rata Revolving Loan shall be allocated to the Lenders in the manner set forth in clause (a)(i) above); and

(c) shall, on each date when any reduction or termination in the Total Credit Commitment Amount shall become effective, including pursuant to Section 2.3, make a mandatory prepayment of all Pro-Rata Revolving Loans equal to the excess, if any, of the then aggregate Outstanding Credit Extensions of all the Lenders over the Total Credit Commitment Amount as so reduced, such prepayment to be allocated to the Lenders in the manner set forth in clause (a)(i).

SECTION 4.2. Interest Provisions. Each Pro-Rata Revolving Loan shall bear interest from and including the day when made until (but not including) the day such Pro-Rata Revolving Loan shall be paid in full, and such interest shall accrue and be payable in accordance with this Section 4.2.

SECTION 4.2.1. Rates.

(a) Pro-Rata Revolving Loans. Subject to Section 4.2.2 and pursuant to an appropriately completed and delivered Borrowing Request or Continuation/Conversion Notice, Micro may elect that Pro-Rata Revolving Loans comprising a Borrowing accrue interest at the following rates per annum:

(i) Reference Rate Loans. On that portion of such Borrowing maintained from time to time as a Reference Rate Loan, equal to the Reference Rate from time to time in effect.

(ii) LIBO Rate Loans. On that portion of such Borrowing maintained from time to time as a LIBO Rate Loan, during each Interest Period applicable thereto, the sum of the LIBO Rate for such Interest Period plus the Applicable Margin.

(b) Non-Rata Revolving Loans. Pursuant to the terms agreed to between the relevant Borrower and the relevant Lender, each Borrower shall pay interest on the aggregate principal amount of any Non-Rata Revolving Loan outstanding to any Lender from time to time prior to and at Maturity at a rate agreed between each such Borrower and such Lender pursuant to Section 3.3 in connection with the making of such Non-Rata Revolving Loan. Such interest rate shall include any compensation for reserves or similar costs incurred in connection with such Non-Rata Revolving Loan.

SECTION 4.2.2 Post-Maturity Rates. After the date any principal amount of any Loan is due and payable (whether at Maturity, upon acceleration or otherwise), or after any other monetary Obligation of Micro or any other Borrower shall have become due and payable, Micro or each such other Borrower shall pay, but only to the extent permitted by law, interest (after as well as before judgment) on such amounts at a rate per annum equal to the Reference Rate plus 2%.

SECTION 4.2.3. Continuation and Conversion Elections. Micro may from time to time by delivering a Continuation/Conversion Notice to the Administrative Agent on or before 1:00 p.m., Eastern time, on a Business Day, irrevocably elect, in the case of LIBO Rate Loans, on not less than three nor more than five Business Days' notice, and in the case of Reference Rate Loans, on such Business Day, that all, or any portion in an aggregate minimum amount of $25,000,000 and an integral multiple of $1,000,000 of the Loans, be, in the case of Reference Rate Loans, converted into LIBO Rate Loans or be, in the case of LIBO Rate Loans, converted into Reference Rate Loans or continued as LIBO Rate Loans (in the absence of delivery of a Continuation/Conversion Notice with respect to any LIBO Rate Loan, at least three Business Days (but not more than five Business Days) before the last day of the then current Interest Period with respect thereto, each such LIBO Rate Loan shall, on such last day, automatically convert to a Reference Rate Loan); provided, however, that (1) each such conversion or continuation shall be pro rated among the applicable outstanding Pro-Rata Revolving Loans of all Lenders, and (2) no portion of the outstanding principal amount of any Pro-Rata Revolving Loans may be continued as, or be converted into, a LIBO Rate Loan with an Interest Period longer than one month while any Default has occurred and is continuing.

SECTION 4.2.4. Payment Dates.

(a) Pro-Rata Revolving Loans. Interest accrued on each Pro-Rata Revolving Loan shall be payable, without duplication:

(i) on the Stated Maturity Date therefor;

(ii) on the date of any payment or prepayment, in whole or in part, of principal outstanding on such Pro-Rata Revolving Loan (but only on the principal amount so paid or prepaid);

(iii) with respect to each Reference Rate Loan, on each Quarterly Payment Date;

(iv) with respect to each Reference Rate Loan that is converted into a LIBO Rate Loan on a day when interest would not

otherwise have been payable pursuant to clause (iii), on the date of such conversion;

(v) with respect to each LIBO Rate Loan, on the last day of each applicable Interest Period (and, if such Interest Period shall exceed three months, on each three month anniversary of the date of the commencement of such Interest Period); and

(vi) on that portion of any Loans the Stated Maturity Date of which is accelerated pursuant to Section 9.2 or 9.3, immediately upon such acceleration.

Interest accrued on Pro-Rata Revolving Loans or other monetary Obligations arising under this Agreement or any other Loan Document after the date such Pro-Rata Revolving Loans or other Obligations are due and payable (whether on the Stated Maturity Date, upon acceleration or otherwise) shall be payable upon demand.

(b) Non-Rata Revolving Loans. Subject to Section 3.3.2, each Borrower shall pay interest on the aggregate principal amount of any Non-Rata Revolving Loan outstanding in the Available Currency in which such Loan was made to the relevant Lender from time to time prior to and at Maturity on such dates agreed between such Borrower and such Lender pursuant to Section 3.3 in connection with the making of such Non-Rata Revolving Loan.

(c) Bid Rate Loans. Each Borrower shall pay interest on the aggregate principal amount of any Bid Rate Loan outstanding to the relevant Lender from time to time prior to and at Maturity on such dates agreed between such Borrower and such Lender pursuant to Section 3.5 in connection with the making of such Bid Rate Loan.

SECTION 4.2.5. Interest Rate Determination. The Administrative Agent and the Reference Lenders shall, in accordance with each of their customary practices, attempt to determine the relevant interest rates applicable to each LIBO Rate Loan requested to be made pursuant to each Borrowing Request duly completed and delivered by Micro and each LIBO Market Loan from time to time in accordance with the terms hereof, and each Reference Lender agrees to furnish the Administrative Agent timely information for the purpose of determining the LIBO Rate. If any Reference Lender fails to timely furnish such information to the Administrative Agent for any such interest rate, the Administrative Agent shall determine such interest rate on the basis of the information furnished by the other Reference Lenders.

SECTION 4.2.6. Additional Interest on LIBO Rate Loans. For so long as the cost to a Lender of making or maintaining its LIBO Rate Loans is increased as a result of any imposition or modification of any reserve required to be maintained by such Lender against Eurocurrency Liabilities (or any other category of liabilities which includes deposits by reference to which the interest rate on LIBO Rate Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of such Lender to United States residents), then such Lender may require Micro to pay, contemporaneously with each payment of interest on the LIBO Rate Loans, additional interest on the related LIBO Rate Loan of such Lender at a rate per annum up to but not exceeding the excess of (i) (A) the applicable LIBO Rate divided by (B) one minus the LIBOR Reserve Percentage over (ii) the applicable LIBO Rate. Any Lender wishing to require payment of such additional interest shall so notify Micro and the Administrative Agent (which notice shall set forth the amount (as determined by such Lender) to which such Lender is then entitled under this Section 4.2.6 (which amount shall be consistent with such Lender's good faith estimate of the level at which the related reserves are maintained by it and which determination shall be conclusive and binding for all purposes, absent demonstrable error) and shall be accompanied by such information as to the computation set forth therein as Micro may reasonably request), in which case such additional interest on the LIBO Rate Loans of such Lender shall be payable on the last day of each Interest Period thereafter (commencing with the Interest Period beginning at least three Business Days after the giving of such notice) to such Lender at the place indicated in such notice. Each Lender that receives any payment in respect of increased costs pursuant to this Section shall promptly notify Micro of any change with respect to such costs which affects the amount of additional interest payable pursuant to this Section in respect thereof.

SECTION 4.3. Fees. Micro (and, in the case of Section 4.3.3(d), each relevant Borrower) agrees to pay the fees set forth in this Section 4.3. All such fees shall be non-refundable and shall be paid to each such Lender or the relevant Issuer at its office specified for such purpose on the signature pages hereof.

SECTION 4.3.1. Administration and Documentation Fees. Micro agrees to pay directly to the Administrative Agent and the Documentation Agent, for their own accounts, an annual administration and documentation fee, respectively, in the amounts and on the dates set forth in the Fee Letter.

SECTION 4.3.2. Facility Fees. Micro agrees to pay directly to each Lender (including any portion thereof when the Lenders may not extend any Credit Extensions by reason of the inability of Micro to satisfy any condition of Section 6.1 or 6.2): (a) for each day during the period commencing on the date hereof and continuing through and including the date the Administrative Agent shall receive the reports and financial statements of Micro and its Consolidated Subsidiaries required to be delivered pursuant to Section 8.1.1(a) hereof (together with the Compliance Certificate required to be delivered contemporaneously therewith pursuant to Section 8.1.1(d) hereof) for the Fiscal Year ending on the Saturday nearest December 31, 1996, a fee to each Lender on its Credit Commitment Amount on such day (without taking into account usage) at a rate of .125 of

1% per annum and (b) for each day during the period commencing on the date immediately following the date the Administrative Agent shall receive the reports, financial statements and Compliance Certificate referred to in clause (a) above, until but excluding the Commitment Termination Date, a fee to each Lender on its Credit Commitment Amount on such day (without taking into account usage) at the corresponding rate per annum set forth below, determined by reference to: (i) the lower of the two highest ratings from time to time assigned to Micro's long-term senior unsecured debt by S&P, Moody's and Fitch and either published or otherwise evidenced in writing by the applicable rating agency and made available to the Administrative Agent (including both "express" and "indicative" or "implied" (or equivalent) ratings) or (ii) the ratio (calculated pursuant to clause (c) of Section 8.2.3) of Consolidated Funded Debt to Consolidated EBITDA for the Fiscal Period most recently ended prior to, such day, for which financial statements and reports have been received by the Administrative Agent pursuant to Section 8.1(a) or (b), whichever results in the lower rate:

Micro's Long-Term Senior Unsecured Debt Ratings by S&P, Moody's or Fitch, respectively	Ratio of Consolidated Funded Debt to Consolidated EBITDA	Facility Fee
A-, A3 or A- (or higher)	Less than 1.5	.090%
BBB+, Baa1 or BBB+	Greater than or equal to 1.5, but less than 2.0.	.110%
BBB, Baa2 or BBB	Greater than or equal to 2.0, but less than 2.5.	.125%
BBB-, Baa3 or BBB-	Greater than or equal to 2.5, but less than 3.0.	.150%
BB+, Ba1 or BB+	Greater than or equal to 3.0, but less than 3.25.	.200%
Lower than BB+, Ba1 or BB+	Greater than or equal to 3.25.	.250%

Such fee shall be calculated by Micro as at each Quarterly Payment Date, commencing on the first Quarterly Payment Date to occur after the date hereof, and on the Commitment Termination Date and shall be payable by Micro in arrears on each Quarterly Payment Date and on the Commitment Termination Date. Each Lender agrees to promptly notify the Administrative Agent of the failure of Micro to pay any fee as provided in this Section.

SECTION 4.3.3. Letter of Credit Fees.

(a) Micro agrees to pay directly to each Lender (including the relevant Issuer) a Pro-Rata Letter of Credit participation fee equal to each Lender's Percentage of the average daily Stated Amount of each Pro-Rata Letter of Credit during the applicable period multiplied by the Applicable Margin then in effect for any LIBO Rate Loan. Such participation fee shall accrue from the date of issuance of any Pro-Rata Letter of Credit until the date such Pro-Rata Letter of Credit is drawn in full or terminated, and shall be payable in arrears on each Quarterly Payment Date and on the date that the Commitments terminate in their entirety.

(b) Micro agrees to pay directly to the Issuer of each Pro-Rata Letter of Credit a Pro-Rata Letter of Credit issuance fee of .125 of 1% per annum of the average daily Stated Amount of such Pro-Rata Letter of Credit during the applicable period, such fee to be payable to the relevant Issuer in quarterly installments in arrears on each Quarterly Payment Date and on the date that the Commitments terminate in their entirety. Micro agrees to reimburse each Issuer, on demand, for all usual out-of-pocket costs and expenses incurred in connection with the issuance or maintenance of any Pro-Rata Letter of Credit issued by such Issuer.

(c) Each Lender and Issuer agrees to promptly notify the Administrative Agent of the failure of Micro to pay any letter of credit fees pursuant to this Section.

(d) Each Borrower agrees to pay directly to the relevant Issuer of each Non-Rata Letter of Credit requested by such Borrower an issuance fee equal to such amount and at such times as such Borrower and the applicable Issuer shall agree in connection with the issuance of such Non-Rata Letter of Credit.

SECTION 4.4. Rate and Fee Determinations. Interest on each LIBO Rate Loan shall be computed on the basis of a year consisting of 360 days and interest on each Reference Rate Loan and fees shall be computed on the basis of a year consisting of 365 or 366 days, as the case may be, in each case paid for the actual number of days elapsed, calculated as to each period from and including the first day thereof to but excluding the last day thereof. All determinations by the Administrative Agent of the rate of interest payable with respect to any Pro-Rata Revolving Loan shall be conclusive and binding in the absence of demonstrable error.

SECTION 4.5. Obligations in Respect of Non-Rata Credit Extensions. Micro hereby acknowledges and agrees that notwithstanding any provision hereof or of any other Loan Document to the contrary, all Obligations of the Obligors in respect of any Non-Rata Credit Extensions shall be the joint and several liabilities of Micro.

ARTICLE V

CERTAIN PAYMENT PROVISIONS

SECTION 5.1. Illegality; Currency Restrictions.

(a) If, as the result of any Regulatory Change, any Lender shall determine (which determination shall, in the absence of demonstrable error, be conclusive and binding on each Borrower), that it is unlawful for such Lender to make any LIBO Rate Loan, issue any Non-Rata Letter of Credit or continue any LIBO Rate Loan previously made by it hereunder, as the case may be, the obligations of such Lender to make any such LIBO Rate Loan, issue any such Non-Rata Letter of Credit or continue any such LIBO Rate Loan, as the case may be, shall, upon the giving of notice thereof to the Administrative Agent, Micro and any other applicable Borrower, forthwith be suspended and each applicable Borrower shall, if requested by such Lender and if required by such Regulatory Change, on such date as shall be specified in such notice, prepay to such Lender in full all of such LIBO Rate Loans or convert all of such LIBO Rate Loans into a Loan of another Type that is not unlawful, in each case on the last day of the Interest Period applicable thereto (unless otherwise required by applicable law) and without any penalty whatsoever (but subject to Section 5.4); provided, however, such Lender shall make as Reference Rate Loans all Loans that such Lender would otherwise be obligated to make as LIBO Rate Loans and convert into or continue as Reference Rate Loans all Loans that such Lender would otherwise be required to convert into or continue as LIBO Rate Loans, in each case during the period any such suspension is effective. Such suspension shall continue to be effective until such Lender shall notify the Administrative Agent and Micro that the circumstances causing such suspension no longer exist, at which time the obligations of such Lender to make any such LIBO Rate Loan, issue any Non-Rata Letter of Credit or continue any LIBO Rate Loan, as the case may be, shall be reinstated.

(b) If any central bank or other governmental authorization in the country of the proposed Available Currency of any proposed Non-Rata Revolving Loan is required to permit the use of such Available Currency by a Lender (through its Lending Office) for such Non-Rata Revolving Loan and such authorization has not been obtained (provided that such Lender has used reasonable endeavors to obtain such authorization) or is not in full force and effect, the obligation of such Lender to provide such Non-Rata Revolving Loans shall be suspended so long as such authorization is required and has not been obtained by such Lender.

SECTION 5.2. Deposits Unavailable.

(a) If prior to the date on which all or any portion of any LIBO Rate Loan is to be made, maintained or continued the Administrative Agent shall have determined (which determination shall be conclusive and binding), with respect to such LIBO Rate Loan that:

(i) Dollar deposits in the relevant amount and for the relevant Interest Period are available to none of the Reference Lenders in the relevant market; or

(ii) by reason of circumstances affecting the London interbank market, adequate means do not exist for ascertaining the interest rate applicable hereunder to such LIBO Rate Loan,

then, upon notice from the Administrative Agent to Micro and the Lenders, the obligations of the Lenders to make or continue any Pro-Rata Revolving Loan as a LIBO Rate Loan under Sections 3.1 and 4.2.3 shall forthwith be suspended until the Administrative Agent shall notify Micro and the Lenders that the circumstances causing such suspension no longer exist; provided, however, that, for so long as any such suspension shall be effective, unless the Borrower shall notify the Administrative Agent prior to 1:00 p.m., Eastern Time, on the date of any proposed Borrowing that was to be comprised of LIBO Rate Loans that it does not wish to obtain such Loans as Reference Rate Loans, any proposed Borrowing that would have been comprised of LIBO Rate Loans but for the terms of this Section shall be made on the date of such proposed Borrowing as Reference Rate Loans.

(b) The obligation of any Lender to make a Non-Rata Revolving Loan shall be suspended under the circumstances provided for pursuant to Section 3.3.4.

SECTION 5.3. Increased Credit Extension Costs, etc. Each Borrower agrees to reimburse each Lender upon demand for any increase in the cost to such Lender of, or any reduction in the amount of any sum receivable by such Lender in respect of, making, maintaining, participating, issuing or extending (or of its obligation to make, maintain, participate, issue or extend) any Credit Extension to the extent such increased cost or reduced amount is due to a Regulatory Change. Such Lender shall provide to the Administrative Agent and the relevant Borrower a certificate stating, in reasonable detail, the reasons for such increased cost or reduced amount and the additional amount required fully to compensate such Lender for such increased cost or reduced amount. Such additional amounts shall be payable by the relevant Borrower directly to such Lender upon its receipt of such notice, and such notice shall be rebuttable presumptive evidence of the additional amounts so owing. In determining such amount, such Lender shall act reasonably and in good faith and may use any method of averaging and attribution that it customarily uses for its other borrowers with a similar credit rating as Micro. Such Lender may demand reimbursement for such increased cost or reduced amount only for the 360-day period immediately preceding the date of such written notice, and Micro shall have liability only for such period.

SECTION 5.4. Funding Losses. In the event any Lender shall incur any loss or expense (including any loss or expense incurred by reason of

the liquidation or reemployment of deposits or other funds acquired by such Lender to make, continue or extend any portion of the principal amount of any Loan) as a result of:

(a) any repayment or prepayment of the principal amount of any Loan on a date other than the scheduled last day of the Interest Period or, in the case of any Non-Rata Revolving Loan, other relevant funding period applicable thereto, whether pursuant to Section 4.1 or otherwise;

(b) any conversion of a LIBO Rate Loan into a Reference Rate Loan on a date other than the scheduled last day of the Interest Period applicable thereto; or

(c) any Loan not being made, continued or converted in accordance with the Credit Extension Request therefor in the case of any Pro-Rata Credit Extension Request or the instructions of the relevant Borrower to the relevant Lender in the case of any Non-Rata Credit Extension as a consequence of any action taken, or failed to be taken, by any Obligor,

then, upon the written notice of such Lender to the relevant Borrower (with a copy to the Administrative Agent), such Borrower shall, within five days of its receipt thereof, pay directly to such Lender such amount as will (in the reasonable determination of such Lender) reimburse such Lender for such loss or expense. Such written notice (which shall include calculations in reasonable detail) shall be rebuttable presumptive evidence of the amount of any such loss or expense that has been so incurred.

SECTION 5.5. Increased Capital Costs. If any Regulatory Change affects or would affect the amount of capital required or expected to be maintained by any Lender or any Person controlling such Lender, and such Lender determines (in its sole and absolute discretion) that the rate of return on its or such controlling Person's capital as a consequence of its participation in this Agreement or the making, continuing, participating in or extending of any Credit Extension is reduced to a level below that which such Lender or such controlling Person could have achieved but for the occurrence of any such circumstance, then, in any such case, upon the relevant Borrower's receipt of written notice thereof from such Lender (with a copy to the Administrative Agent), such Borrower shall pay directly to such Lender additional amounts sufficient to compensate such Lender or such controlling Person for such reduction in rate of return. A statement of such Lender as to any such additional amounts (including calculations thereof in reasonable detail) shall be rebuttable presumptive evidence of the additional amounts so owing. In determining such amount, such Lender may use any method of averaging and attribution that it shall deem applicable. Such Lender may demand payment for such additional amounts that have accrued only during the 360-day period immediately preceding the date of such written notice and Micro shall have liability only for such period.

SECTION 5.6. Discretion of Lenders as to Manner of Funding. Notwithstanding any provision of this Agreement to the contrary, the Lenders shall be entitled to fund and maintain their funding of all or any part of their Loans and other Credit Extensions in any manner they elect, it being understood, however, that for the purposes of this Agreement all determinations hereunder with respect to a Pro-Rata Revolving Loan shall be made as if each Lender had actually funded and maintained each Loan through its Lending Office and through the purchase of deposits having a maturity corresponding to the maturity of such Pro-Rata Revolving Loan. Any Lender may, if it so elects, fulfill any commitment or obligation to make or maintain Loans or other Credit Extensions by causing a branch or affiliate to make or maintain such Loans or other Credit Extensions; provided, however, that in such event such Loans or other Credit Extensions shall be deemed for the purposes of this Agreement to have been made by such Lender through its applicable Lending Office, and the obligation of Micro to repay such Loans shall nevertheless be to such Lender at its Lending Office and shall be deemed held by such Lender through its applicable Lending Office, to the extent of such Loan, for the account of such branch or affiliate.

SECTION 5.7. Taxes. All payments by any Obligor of principal of, and interest and fees on, any Credit Extension and all other amounts payable hereunder or under any other Loan Document shall be made free and clear of and without deduction for any present or future income, excise, stamp or franchise taxes and other taxes, fees, duties, withholdings or other charges of any nature whatsoever imposed by any taxing authority with respect to such payments, but excluding first, franchise taxes and taxes imposed on or measured by any Lender Party's gross or net income, profits or receipts and, second, taxes or other charges of any nature imposed by any taxing authority on any Lender Party which do not result from any Regulatory Change and which are not imposed on any class of bank having the same general characteristics as such Lender Party (such non-excluded items being called "Taxes"). In the event that any withholding or deduction from any payment to be made by any Obligor hereunder is required in respect of any Taxes pursuant to any applicable law, rule or regulation, then such Obligor will:

(a) pay directly to the relevant authority the full amount required to be so withheld or deducted;

(b) promptly forward to the relevant Lender Party an official receipt or other documentation satisfactory to such Lender Party evidencing such payment to such authority; and

(c) pay directly to the relevant Lender Party for its own account such additional amount or amounts as is or are necessary to ensure that the net amount actually received by such Lender Party will equal the full amount such Lender Party would have received had no such withholding or deduction been required.

Moreover, if any Taxes are directly asserted against any Lender Party with respect to any payment received by such Lender Party hereunder, such Lender Party may pay such Taxes and the relevant Obligor will promptly pay such additional amounts (including any penalties, interest or expenses) as is necessary in order that the net amount received by such Lender Party after the payment of such Taxes (including any Taxes on such additional amount) shall equal the amount such Lender Party would have received had not such Taxes been asserted.

If the relevant Obligor fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to the relevant Lender Parties entitled thereto the required receipts or other required documentary evidence, such Obligor shall indemnify such Lender Parties for any incremental Taxes, interest or penalties that may become payable by any Lender Party as a result of any such failure.

Each Lender Party organized under the laws of a jurisdiction outside the United States: (a) either on or prior to (i) the date of its execution and delivery of this Agreement in the case of each such Lender Party listed on the signature pages hereof, or (ii) the date on which it becomes a Lender Party in the case of each such other Lender Party; (b) on or prior to the date of any change in any such Lender Party's Lending Office; and (c) from time to time thereafter if requested in writing by Micro (but only so long as such Lender Party remains lawfully able to do so), shall provide Micro and the Administrative Agent with Internal Revenue Service Form 1001 or 4224, as appropriate, or any successor form prescribed by the Internal Revenue Service, certifying that such Lender Party is entitled to benefits under an income tax treaty to which the United States is a party which exempts the Lender Party from United States withholding tax or, except in the case of the initial such form so delivered hereunder by such Lender Party, reduces the rate of withholding tax on payments of interest for the account of such Lender Party or certifying that the income receivable by such Lender Party pursuant to this Agreement is effectively connected with the conduct of a trade or business in the United States. For any period with respect to which a Lender Party organized under the laws of a jurisdiction outside the United States has failed to provide Micro and the Administrative Agent with the applicable Internal Revenue Service form required to be so provided in accordance with this Section 5.7 (unless such failure is due to a change in treaty, law or regulation occurring subsequent to the date on which such form originally was required to be provided), such Lender Party shall not be entitled to indemnification under this Section 5.7 with respect to United States withholding tax; provided that if a Lender Party which is otherwise exempt from or subject to a reduced rate of withholding tax becomes subject to United States withholding tax because of its failure to deliver an Internal Revenue Service form required hereunder, Micro shall take such steps as such Lender Party shall reasonably request to assist such Lender Party to recover such United States withholding tax.

If any Obligor pays any additional amount under this Section 5.7 (a "Tax Payment") and any Lender Party or Affiliate thereof effectively obtains a refund of tax or credit against tax by reason of the Tax Payment (a "Tax Credit") and such Tax Credit is, in the reasonable judgment of such Lender Party or Affiliate, attributable to the Tax Payment, then such Lender Party, after actual receipt of such Tax Credit or actual receipt of the benefits thereof, shall promptly reimburse such Obligor for such amount as such Lender Party shall reasonably determine to be the proportion of the Tax Credit as will leave such Lender Party (after that reimbursement) in no better or worse position than it would have been in if the Tax Payment had not been required; provided, however, that no Lender Party shall be required to make any such reimbursement if it reasonably believes the making of such reimbursement would cause it to lose the benefit of the Tax Credit or would adversely affect in any other respect its tax position. Subject to the other terms hereof, any claim by a Lender Party for a Tax Credit shall be made in a manner, order and amount as such Lender Party determines in its sole and absolute discretion. Except to the extent necessary for Micro to evaluate any Tax Credit, no Lender Party shall be obligated to disclose information regarding its tax affairs or computations to any Obligor, it being understood and agreed that in no event shall any Lender Party be required to disclose information regarding its tax position that it deems to be confidential (other than with respect to the Tax Credit).

SECTION 5.8. Payments. All payments by an Obligor pursuant to this Agreement or any other Loan Document, whether in respect of principal, interest, fees or otherwise, shall be made as set forth in this Section 5.8.

SECTION 5.8.1. Pro-Rata Credit Extensions.

(a) All payments (whether in respect of principal, interest or otherwise) pursuant to this Agreement or any other Loan Document with respect to Pro-Rata Credit Extensions or any other amount payable hereunder (other than amounts payable with respect to Non-Rata Revolving Loans, Bid Rate Loans, Non-Rata Reimbursement Obligations, fees payable pursuant to Section 4.3 (which fees shall be paid directly by Micro or the relevant Borrower to the relevant payee), 11.3 or 11.4 and payments made to a Terminating Lender pursuant to Section 9.4), shall be made by Micro to the Administrative Agent for the account of each Lender based upon its Percentage in the case of Pro-Rata Letters of Credit and its Percentage in the case of any Pro-Rata Revolving Loan (such Percentage to be calculated on the date each such Pro-Rata Revolving Loan was made). All such payments required to be made to the Administrative Agent shall be made, without set-off, deduction or counterclaim, not later than 1:00 p.m., Eastern time, on the date when due, in same day or immediately available funds, to such account as the Administrative Agent shall specify from time to time by notice to Micro. Funds received after that time shall be deemed to have been received by the Administrative Agent on the next succeeding Business Day. The

Administrative Agent shall promptly remit in same day funds to each Lender its share, if any, of such payments received by the Administrative Agent for the account of such Lender. Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall, except as otherwise required pursuant to clause (d) of the definition of Interest Period, be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or fees, as the case may be.

(b) In the case of any payment made pursuant to the preceding clause (a) by Micro to the Administrative Agent, unless the Administrative Agent shall have received notice from Micro prior to the date on which any such payment is due hereunder that Micro will not make such payment in full, the Administrative Agent may assume that Micro has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due to such Lender. If Micro shall not have so made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent forthwith on demand any such amount distributed to the Lender to the extent that such amount was not paid by Micro to the Administrative Agent together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate.

SECTION 5.8.2. Non-Rata Obligations. All payments (whether in respect of principal, interest, fees or otherwise) by any Borrower pursuant to this Agreement or any other Loan Document with respect to the Non-Rata Credit Extensions shall be made by such Borrower, in the currency in which the Obligation was denominated (the "Required Currency") and in same day or immediately available funds, to the relevant Lender or Issuer, as the case may be (for its own account), at an account specified by such Lender or Issuer, as the case may be, from time to time by notice to the relevant Borrower. All such payments on account of Non-Rata Revolving Loans or Non-Rata Reimbursement Obligations shall be made on the date due, without set-off, deduction or counterclaim and at the times agreed to between the relevant Borrower and the relevant Lender or Issuer, as the case may be. Each Lender that has made a Non-Rata Revolving Loan or Bid Rate Loan agrees to give the Administrative Agent prompt notice of any payment or failure to pay when due of any amounts owing with respect to each such Non-Rata Revolving Loan or Bid Rate Loan. Each Issuer that has issued a Non-Rata Letter of Credit agrees to give the Administrative Agent prompt notice of any payment or failure to pay when due any Non-Rata Reimbursement Obligations or any other amounts owing with respect to such Non-Rata Letter of Credit.

SECTION 5.9. Sharing of Payments.

(a) Prior to the occurrence of a Pro-Rata Distribution Event, the Administrative Agent shall remit payments made by Micro to it pursuant to Section 5.8.1, and each Lender shall retain for its own account all payments received by it pursuant to Section 5.8.2.

(b) Upon the occurrence and continuation of a Pro-Rata Distribution Event,

(i) the Lenders shall share all collections and recoveries in respect of the Credit Extensions and Obligations hereunder on a pro rata basis, based on the respective Outstanding Credit Extensions of each Lender, including unpaid principal, interest, indemnities and fees payable with respect thereto; and

(ii) Micro, each other Borrower and each other Obligor shall make payment of all amounts owing hereunder (whether in respect of principal, interest, fees or otherwise or on account of any Pro-Rata Credit Extension or Non-Rata Credit Extension) to the Administrative Agent for the account of the Lenders as provided in the preceding clause (i). The Administrative Agent shall promptly remit in same day funds to each Lender its share, if any, of all payments received by the Administrative Agent for the account of such Lender.

(c) For purposes of the foregoing, a "Pro-Rata Distribution Event" shall mean the first to occur of an Event of Default pursuant to Section 9.1.1 or 9.1.9 or any Default if, in connection therewith, the Required Lenders shall have notified the Administrative Agent (and, upon receipt of any such notice, the Administrative Agent shall promptly notify Micro and the Lenders of the same) of the occurrence of such Default and shall have instructed the Administrative Agent that payments hereunder shall be allocated as provided in the preceding clause (b).

(d) If at any time the proportion which any Lender Party (the "Receiving Lender Party") has received or recovered (whether by set-off or otherwise) in respect of its portion of any sum due from any Borrower hereunder or under any other Loan Document is in excess of (the amount of such excess being herein referred to as the "Excess Amount") the proportion of such sum thereof which the Receiving Lender Party is entitled to receive pursuant to clause (b)(i), then the Receiving Lender Party shall promptly notify the Administrative Agent thereof and:

(i) the Receiving Lender Party shall promptly and in any event within ten days of receipt or recovery of the Excess Amount pay to the Administrative Agent an amount equal to the Excess Amount;

(ii) the Administrative Agent shall treat such payment as if it were a payment by the relevant Borrower on account of a sum owed to the Receiving Lender Party and shall pay the same to the relevant Lender Parties entitled to share in such payment (including the Receiving Lender Party) as provided in clause (b)(i); and

(iii) as between the relevant Borrower and the Receiving Lender Party the Excess Amount shall be treated as not having been paid, while as between such Borrower and each Lender Party referred to in the preceding clause (d)(ii), it shall be treated as having been paid by such Borrower to the extent received by such Lender Party;

provided, however, that where a Receiving Lender Party is subsequently required to repay to any Obligor any amount received or recovered by it and paid to the other Lender Parties pursuant to this clause (d), each relevant Lender Party shall promptly repay to the Administrative Agent for the account of the Receiving Lender Party the portion of such amount distributed to it pursuant to this clause (d), together with interest thereon at a rate sufficient to reimburse the Receiving Lender Party for any interest which it has been required to pay to such Obligor in respect of such portion of such amount.

SECTION 5.10. Right of Set-off. Upon the occurrence and during the continuance of any Default, after providing notice to Micro with respect thereto (which notice shall not be required during any period when an Event of Default shall have occurred and be continuing), each Lender Party is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final but excluding, for the avoidance of doubt, any payment received pursuant to this Agreement by the Administrative Agent in its capacity qua Administrative Agent on behalf of the Lenders) at any time held and other indebtedness at any time due and owing by such Lender Party (in any currency and at any branch or office) to or for the credit or the account of any Obligor against any and all of the Obligations of such Obligor now or hereafter existing under this Agreement or any other Loan Document that are at such time due and owing, irrespective of whether or not such Lender Party shall have made any demand under this Agreement or such other Loan Document (other than any notice expressly required hereby). The rights of each Lender Party under this Section 5.10 are in addition to other rights and remedies (including other rights of set-off) which such Lender Party may have.

SECTION 5.11. Judgments, Currencies, etc. The obligation of each Obligor to make payment of all Obligations in the Required Currency shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment, which is expressed in or converted into any currency other than the Required Currency, except to the extent such tender or recovery shall result in the actual receipt by the recipient at the office required hereunder of the full amount of the Required Currency expressed to be payable under this Agreement or any other Loan Document. Without limiting the generality of the foregoing, each Obligor authorizes the Administrative Agent (or in the case of a Non-Rata Revolving Loan or any other amount required to be paid to any Lender directly, the relevant Lender) on any tender or recovery in a currency other than the Required Currency to purchase in accordance with normal banking procedures the Required Currency with the amount of such other currency so tendered or recovered. The obligation of each Obligor to make payments in the Required Currency shall be enforceable as an alternative or additional cause of action for the purpose of recovery in the Required Currency of the amount (if any) by which such actual receipt shall fall short of the full amount of the Required Currency expressed to be payable under this Agreement or any other Loan Document, and shall not be affected by judgment being obtained for any other sums due under this Agreement or such other Loan Document.

SECTION 5.12. Replacement of Lenders. Each Lender hereby severally agrees that if such Lender (a "Subject Lender") makes demand upon any Borrower for (or if any Borrower is otherwise required to pay) amounts pursuant to Section 4.2.6, 5.3, 5.5 or 5.7, or if the obligation of such Lender to make LIBO Rate Loans is suspended pursuant to Section 5.1(a), such Borrower may, so long as no Event of Default shall have occurred and be continuing, replace such Subject Lender with another financial institution pursuant to an assignment in accordance with Section 11.11.1; provided that (i) unless such financial institution is a Lender or an Affiliate of a Lender, such financial institution shall become a Lender only with the prior written consent of the Administrative Agent, which consent shall not be unreasonably withheld, and (ii) the purchase price paid by such designated financial institution shall be in the amount of such Subject Lender's Loans and its Percentage of outstanding Reimbursement Obligations, together with all accrued and unpaid interest and fees in respect thereof, plus all other amounts (including the amounts demanded and unreimbursed under Sections 4.2.6, 5.3, 5.5 and 5.7), owing to such Subject Lender hereunder. Upon the effective date of such assignment, the relevant Borrower shall issue a replacement Note to such designated financial institution and such institution shall become a Lender for all purposes under this Agreement and the other Loan Documents and the relevant Subject Lender shall deliver to Micro all of its Notes, such Notes to be canceled by Micro.

SECTION 5.13. Change of Lending Office. If Micro or any other Obligor is required to pay additional amounts to or for the account of any Lender Party pursuant to Section 4.2.6, 5.3, 5.5 or 5.7, or if the obligation of any Lender to make or continue LIBO Rate Loans is suspended pursuant to Section 5.1(a), then such Lender Party will change the jurisdiction of its Lending Office if, in the judgment of such Lender Party, such change (i) will eliminate or reduce any such additional payment which may thereafter accrue or will avoid such suspension and (ii) is not otherwise

disadvantageous to such Lender Party.

ARTICLE VI

CONDITIONS TO MAKING CREDIT EXTENSIONS AND ACCESSION OF ACCEDING BORROWERS

SECTION 6.1. Initial Credit Extension. The obligation of each Lender and, if applicable, any Issuer to make the initial Credit Extension shall be subject to the prior or concurrent satisfaction of each of the conditions precedent set forth in this Section 6.1.

SECTION 6.1.1. Resolutions, etc. The Administrative Agent shall have received from each Obligor a certificate, dated the Effective Date and with counterparts for each Lender, duly executed and delivered by the Secretary, Assistant Secretary or other authorized representative of such Obligor as to:

(a) resolutions of its Board of Directors or its Executive Committee, as the case may be, then in full force and effect authorizing the execution, delivery and performance of this Agreement and the Guaranty and each other Loan Document to be executed by it;

(b) the incumbency and signatures of those of its officers authorized to act with respect to this Agreement and the Guaranty and each other Loan Document to be executed by it; and

(c) the Organic Documents of such Obligor (including, without limitation, with respect to Micro, a copy of the executed Board Representation Agreement),

upon which certificate each Lender may conclusively rely until the Administrative Agent shall have received a further certificate of the Secretary of the relevant Obligor canceling or amending such prior certificate. In addition, each Obligor shall have delivered to the Administrative Agent a good standing certificate from the relevant governmental regulatory institution of its jurisdiction of incorporation, each such certificate to be dated a date reasonably near (but prior to) the date of the initial Credit Extension.

SECTION 6.1.2. Effective Date Certificate. The Administrative Agent shall have received, with counterparts for each Lender, the Effective Date Certificate, dated the Effective Date and duly executed and delivered by the chief executive officer, an Authorized Person or the Treasurer of Micro. All documents and agreements required to be appended to the Effective Date Certificate shall be in form and substance satisfactory to the Lenders.

SECTION 6.1.3. Delivery of Notes. The Administrative Agent shall have received, for the account of each Lender, such Lender's Revolving Note, Bid Rate Note and Non-Rata Revolving Note, duly executed and delivered by the Obligor party thereto, as the case may be.

SECTION 6.1.4. Guaranties, etc. The Administrative Agent shall have received, with counterparts for each Lender, (a) each of the Guaranties in effect as of the Effective Date, dated the date hereof, duly executed and delivered by an Authorized Person of the relevant Guarantor and (b) the Intra-Group Agreement, dated the date hereof and duly executed by each Borrower that is a Guarantor.

SECTION 6.1.5. Financial Information, etc. The Administrative Agent shall have received true and correct copies for each Lender, of

(a) audited consolidated financial statements of Micro and its Consolidated Subsidiaries for its last Fiscal Year, prepared in accordance with GAAP free of any Impermissible Qualifications; and

(b) unaudited consolidated financial statements for Micro and its Consolidated Subsidiaries for the first two Fiscal Periods of the 1996 Fiscal Year, prepared in accordance with GAAP.

SECTION 6.1.6. Compliance Certificate. The Administrative Agent shall have received, with counterparts for each Lender, an initial Compliance Certificate, dated as of the Effective Date.

SECTION 6.1.7. Payment of Outstanding Indebtedness. The Administrative Agent shall have received evidence satisfactory to it that contemporaneously with the making of the initial Credit Extension (a) all "Obligations" (including those in respect of Indebtedness thereunder and accrued interest with respect thereto) under the Existing Industries Credit Agreement or the Existing Micro Credit Agreement (whichever shall be in effect on the date of the initial Credit Extension, as the case may be) shall be satisfied in full, whether through the application, directly or indirectly, of any portion of the proceeds of such initial Credit Extension or through the application of other moneys, and (b) all "Commitments" under the Existing Industries Credit Agreement or the Existing Micro Credit Agreement (whichever shall be in effect on the date of the initial Credit Extension, as the case may be) shall be terminated.

SECTION 6.1.8. Consents, etc. The Administrative Agent shall have received evidence satisfactory to it as to the receipt by each Obligor of any necessary consents or waivers under any agreement applicable to such Obligor in order to enable such Obligor to enter into this Agreement and any other Loan Document, to perform its obligations hereunder and thereunder and, in the case of each Borrower, to obtain Credit Extensions hereunder.

SECTION 6.1.9. Closing Fees, Expenses, etc. The Administrative Agent

and each Lender shall have received payment in full of all fees, costs and expenses due and payable pursuant to Sections 4.3 and 11.3 (to the extent then invoiced).

SECTION 6.1.10. Opinions of Counsel. The Administrative Agent shall have received opinions of counsel, dated the Effective Date and addressed to the Documentation Agent, the Administrative Agent and all the Lenders, from:

(a) James E. Anderson, General Counsel of Micro, covering the matters set forth in Exhibit M hereto;

(b) Davis Polk & Wardwell, special counsel to Micro, covering the matters set forth in Exhibit N hereto;

(c) Baker & McKenzie, special Belgian counsel to Coordination Center, substantially in the form of Exhibit O hereto;

(d) Fogler, Rubinoff, special Canadian counsel to Micro Canada, substantially in the form of Exhibit P hereto;

(e) Yeo Wee Kiong and Partners, special Singapore counsel to Micro Singapore, substantially in the form of Exhibit Q hereto; and

(f) King & Spalding, counsel to the Agents, substantially in the form of Exhibit R hereto.

SECTION 6.1.11. Investment Prospectus. The Administrative Agent shall have received a true and correct copy of the final Prospectus (filed or to be filed with the Securities and Exchange Commission pursuant to Rule 424(b) under the Securities Act of 1933, as amended) (the "Investment Prospectus") and comprising a part of the registration statement on Form S-1 (Registration No. 333-08453) filed with the Securities and Exchange Commission in connection with the Investment.

SECTION 6.1.12. Senior Executive Officer's Certificate. The Administrative Agent shall have received, with counterparts for each Lender, a certificate, dated the Effective Date and duly executed and delivered by a senior executive officer of Micro stating that (i) the First Closing (as defined in the Amended and Restated Exchange Agreement referred to below) has occurred of the share exchanges contemplated by that certain Amended and Restated Exchange Agreement to be entered into among Industries, Entertainment, Micro and certain shareholders of Industries, (ii) each of Ingram Micro Holdings Inc., a California corporation, and Ingram Micro Inc., a California corporation, has merged into Micro, (iii) the Investment has been successfully completed or will be successfully completed concurrently with the initial Credit Extension hereunder; (iv) since December 31, 1995, there has occurred no event or events which, singly or in the aggregate, has resulted in a Material Adverse Effect; and (v) the descriptions of the Transition Agreements and the transactions contemplated thereby set forth in the annexes attached thereto, when taken as a whole, do not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

SECTION 6.1.13. Satisfactory Legal Form. All documents executed or submitted pursuant to this ARTICLE VI by or on behalf of each Obligor shall be satisfactory in form and substance to the Administrative Agent (who may rely upon the advice of its legal counsel with respect to legal matters in making such determination) and the Administrative Agent shall have received such additional information, approvals, opinions, documents or instruments as the Administrative Agent or the Required Lenders may reasonably request.

SECTION 6.2. All Credit Extensions. The obligation of each Lender to make any Credit Extension (including the initial Credit Extension) shall be subject to the satisfaction of each of the additional conditions precedent set forth in this Section 6.2.

SECTION 6.2.1. Compliance with Warranties, No Default, etc. Both before and after giving effect to such Credit Extension other than any continuation or conversion (except as otherwise set forth in the final proviso to this Section) of a Borrowing (but, if any Default of the nature referred to in Section 9.1.5 shall have occurred with respect to any other Indebtedness, without giving effect to the application, directly or indirectly, of the proceeds of such Credit Extension to such other Indebtedness), the following statements shall be true and correct:

(a) the representations and warranties of each Obligor set forth in ARTICLE VII (excluding, however, those contained in Section 7.8) and in any other Loan Document shall be true and correct with the same effect as if then made (unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date); provided, however, that if any of the financial statements delivered pursuant to clause (b) of Section 8.1.1 do not present fairly the consolidated financial condition of the Persons covered thereby as of the dates thereof and the results of their operations for the periods then ended and Micro subsequently delivers one or more financial statements pursuant to clause (a) or (b) of Section 8.1.1 which, in the opinion of the Required Lenders, effectively cures any omission or misstatement contained in such prior delivered financial statement, the representation and warranty contained in Section 7.6 as it relates to such prior delivered financial statement shall be deemed satisfied for purposes hereof (it being understood and agreed that such subsequent delivered financial statements shall be deemed to have cured such earlier delivered inaccurate financial statements unless the Required Lenders raise an objection with respect thereto);

(b) except as disclosed in Item 7.8 (Litigation) of the Disclosure Schedule:

(i) no labor controversy, litigation, arbitration or governmental investigation or proceeding shall be pending or, to the knowledge of any Obligor, threatened against any Obligor, or any of their respective Consolidated Subsidiaries in respect of which there exists a reasonable possibility of an outcome that would result in a Material Adverse Effect or that would affect the legality, validity or enforceability of this Agreement or any other Loan Document; and

(ii) no development shall have occurred in any labor controversy, litigation, arbitration or governmental investigation or proceeding so disclosed in respect of which there exists a reasonable possibility of an outcome that would result in a Material Adverse Effect;

(c) no Default shall have occurred and be continuing, and no Obligor, nor any of their respective Subsidiaries, shall be in violation of any law or governmental regulation or court order or decree which, singly or in the aggregate, results in, or would reasonably be expected to result in, a Material Adverse Effect; and

(d) the Outstanding Credit Extensions of all the Lenders do not exceed the Total Credit Commitment Amount (as such amount may be reduced from time to time pursuant to Section 2.3);

provided however, that, in the case of any continuation or conversion of a Borrowing, no Event of Default shall have occurred and be continuing.

SECTION 6.2.2. Credit Extension Request. In the case of any Pro-Rata Credit Extension the Administrative Agent shall have received the relevant Credit Extension Request in a timely manner as herein provided for such Pro-Rata Credit Extension. Delivery of a Credit Extension Request and the acceptance by Micro or any other Borrower of the proceeds of any Pro-Rata Credit Extension shall constitute a representation and warranty by each Obligor that, on the date of making such Pro-Rata Credit Extension (both immediately before and after giving effect to the making of such Pro-Rata Credit Extension and the application of the proceeds thereof), the statements made in Section 6.2.1 are true and correct.

SECTION 6.2.3. Non-Rata Revolving Loans. In the case of any requested Non-Rata Revolving Loan, each of the applicable conditions set forth in Sections 3.3 and 6.2 or otherwise specified by the relevant Lender in connection with such Non-Rata Revolving Loan shall have been satisfied.

SECTION 6.2.4. Non-Rata Letters of Credit. In the case of any requested Non-Rata Letter of Credit, each of the applicable conditions set forth in Sections 3.4 and 6.2 or otherwise specified by the relevant Issuer (with respect to Non-Rata Letters of Credit) in connection with such Non-Rata Letter of Credit shall have been satisfied.

SECTION 6.2.5. Bid Rate Loans. In the case of any requested Bid Rate Loan, each of the applicable conditions set forth in Sections 3.5 and 6.2 or otherwise specified by the relevant Lender in connection with such Bid Rate Loan shall have been satisfied.

SECTION 6.3. Acceding Borrowers. Subject to the prior or concurrent satisfaction of the conditions precedent set forth in this Section 6.3, any Subsidiary of Micro may become a party hereto and a Supplemental Borrower and an Obligor hereunder subsequent to the Effective Date (each such Subsidiary of Micro, an "Acceding Borrower"), entitled to all the rights and subject to all the obligations incident thereto and each Acceding Borrower may request the Lenders to make Non-Rata Credit Extensions on the terms and subject to the conditions of this Agreement.

SECTION 6.3.1. Resolutions, etc. The Administrative Agent shall have received from such Acceding Borrower a certificate, dated the date such Acceding Borrower is accepted by the Administrative Agent as a Supplemental Borrower hereunder and with counterparts for each Lender, duly executed and delivered by the Secretary, Assistant Secretary or other authorized representative of such Acceding Borrower as to:

(a) resolutions of its Board of Directors or its Executive Committee, as the case may be, then in full force and effect authorizing the execution, delivery and performance of this Agreement and the Guaranty and each other Loan Document to be executed by it;

(b) the incumbency and signatures of those of its officers authorized to act with respect to this Agreement and the Guaranty and each other Loan Document to be executed by it; and

(c) the Organic Documents of such Acceding Borrower,

upon which certificate each Lender may conclusively rely until the Administrative Agent shall have received a further certificate of the Secretary of such Acceding Borrower canceling or amending such prior certificate. In addition, each Acceding Borrower shall have delivered to the Administrative Agent a good standing certificate from the relevant governmental regulatory institution of its jurisdiction of organization, each such certificate to be dated a date reasonably near (but prior to) the date such Acceding Borrower becomes a Supplemental Borrower hereunder.

SECTION 6.3.2. Delivery of Accession Request and Acknowledgment and Notes. The Administrative Agent shall have received (a) an original

Accession Request and Acknowledgment duly completed and executed and delivered by such Acceding Borrower and originals of any other instruments evidencing accession of such Acceding Borrower hereunder as the Administrative Agent may reasonably request, in each case effective as of the date such Acceding Borrower becomes a Supplemental Borrower hereunder and (b) for the account of each Lender (unless illegal (or otherwise likely to result in consequences materially adverse to such Acceding Borrower) under any local law, rule or regulation applicable to such Acceding Borrower, in which case such Acceding Borrower shall provide prior notice thereof to the Lenders and shall provide (prior to the date such Acceding Borrower becomes a Supplemental Borrower hereunder) other evidence of such Indebtedness or other documentation acceptable to the Required Lenders) such Lender's Bid Rate Note and Non-Rata Revolving Note, duly executed and delivered by such Acceding Borrower and in effect on the date such Acceding Borrower becomes a Supplemental Borrower hereunder.

SECTION 6.3.3. Guaranties, etc. The Administrative Agent shall have received, with counterparts for each Lender, (a) an Additional Guaranty executed by such Acceding Borrower, in effect as of the date such Acceding Borrower becomes a Supplemental Borrower hereunder, duly executed and delivered by an Authorized Person of such Acceding Borrower and (b) such instruments and documents evidencing accession of such Acceding Borrower under the Intra-Group Agreement as the Administrative Agent may reasonably request, in each case effective with respect to such Acceding Borrower as of the date such Acceding Borrower becomes a Supplemental Borrower hereunder.

SECTION 6.3.4. Compliance Certificate. The Administrative Agent shall have received, with counterparts for each Lender, a Compliance Certificate from Micro, dated the date such Acceding Borrower becomes a Supplemental Borrower hereunder.

SECTION 6.3.5. Consents, etc. The Administrative Agent shall have received evidence satisfactory to it as to the receipt by such Acceding Borrower of any necessary consents or waivers under any agreement applicable to such Acceding Borrower in order to enable such Acceding Borrower to enter into this Agreement and any other Loan Document, to perform its obligations hereunder and thereunder and to obtain Credit Extensions hereunder.

SECTION 6.3.6. Opinions of Counsel. The Administrative Agent shall have received an opinion of counsel, dated the date such Acceding Borrower becomes a Supplemental Borrower hereunder and addressed to the Documentation Agent, the Administrative Agent and all the Lenders, from the General Counsel of Micro, or such other counsel as shall be reasonably satisfactory to the Administrative Agent, covering the matters set forth in Exhibit M hereto as to such Acceding Borrower.

SECTION 6.4. Waiver of Notice under Existing Industries Credit Agreement. By its execution of this Agreement, each Lender that is a party to the Existing Industries Credit Agreement (if in effect on the date of the initial Credit Extension) agrees to waive the requirements set forth in Sections 2.3 and 4.1 of the Existing Industries Credit Agreement for the provision of advance notice by Industries and any other borrower thereunder to the administrative agent thereunder in respect of the consummation of the transactions contemplated by Section 6.1.7 hereof.

SECTION 6.5. Waiver of Notice under Existing Micro Credit Agreement. By its execution of this Agreement, each Lender that is a party to the Existing Micro Credit Agreement (if in effect on the date of the initial Credit Extension) agrees to waive the requirements set forth in Sections 2.3 and 4.1 of the Existing Micro Credit Agreement for the provision of advance notice by Micro and any other borrower thereunder to the administrative agent thereunder in respect of the consummation of the transactions contemplated by Section 6.1.7 hereof.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

In order to induce the Lender Parties to enter into this Agreement and to make Credit Extensions hereunder, each Borrower represents and warrants unto the Administrative Agent and each Lender with respect to itself and the other Obligors as set forth in this ARTICLE VII.

SECTION 7.1. Organization, etc. Each of the Obligors and each of their respective Subsidiaries is a company or corporation, as the case may be, validly organized and existing and in good standing under the laws of the jurisdiction of its incorporation or organization, is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction where the nature of its business requires such qualification and where the failure to so qualify and to maintain such good standing, singularly or in the aggregate, has resulted in, or would reasonably be expected to result in, a Material Adverse Effect, and has full power and authority and holds all requisite governmental licenses, permits, authorizations and other approvals to enter into and perform its Obligations under this Agreement and each other Loan Document to which it is a party and to own and hold under lease its property and to conduct its business substantially as currently conducted by it, excluding any such governmental licenses, permits or other approvals in respect of which the failure to so obtain, hold or maintain has not caused, and would not reasonably be expected to result in, a Material Adverse Effect.

SECTION 7.2. Due Authorization, Non-Contravention, etc. The execution, delivery and performance by each Obligor of this Agreement and each other Loan Document executed or to be executed by it are within such Obligor's corporate powers, have been duly authorized by all necessary corporate action,

and do not

(a) contravene such Obligor's Organic Documents;

(b) contravene any law or governmental regulation or court decree or order binding or affecting such Obligor; or

(c) result in, or require the creation or imposition of, any Lien on any of such Obligor's properties.

SECTION 7.3. No Default. None of the Obligors, nor any of their respective Subsidiaries, is in default in the performance of any obligation, agreement or condition contained in any bond, debenture, note, or in any indenture, loan agreement, or other agreement, in connection with or as a result of which default there exists a reasonable possibility that a Material Adverse Effect could arise. The execution, delivery and performance by each Obligor of this Agreement and each other Loan Document executed or to be executed by such Obligor will not conflict with, or constitute a breach of, or a default under, any such bond, debenture, note, indenture, loan agreement or other agreement to which any Obligor or any of their respective Subsidiaries is a party or by which it is bound, in connection with, or as a result of which, conflict, breach or default, there exists a reasonable possibility that a Material Adverse Effect could arise.

SECTION 7.4. Government Approval, Regulation, etc. No action by, and no notice to or filing with, any governmental authority or regulatory body or other Person and no payment of any stamp or similar tax, is required for the due execution, delivery or performance by any Obligor of this Agreement or any other Loan Document to which it is a party. No Obligor, nor any of their respective Subsidiaries is an "investment company" within the meaning of the Investment Company Act of 1940, as amended (the "Investment Company Act"), or a "holding company", or a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended.

SECTION 7.5. Validity, etc. This Agreement constitutes, and each other Loan Document executed by any Obligor will, on the due execution and delivery thereof, constitute, the legal, valid and binding obligations of each Obligor party thereto, enforceable against such Obligor in accordance with their respective terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally or by general principles of equity.

SECTION 7.6. Financial Information. The financial statements of Micro and its Consolidated Subsidiaries to be delivered pursuant to Section 6.1.5 will have been prepared in accordance with GAAP and present fairly (subject, in the case of such financial statements delivered pursuant to clause (b) thereof (which financial statements, in accordance with Section 1.4(a) hereof, are not required to contain certain footnote disclosures required by GAAP), to ordinary year-end adjustments) the consolidated financial condition of the Persons covered thereby as at the dates thereof and the results of their operations for the periods then ended. All the financial statements delivered pursuant to clauses (a) and (b) of Section 8.1.1 have been and will be prepared in accordance with GAAP consistently applied, and do or will present fairly (subject, in the case of such financial statements delivered pursuant to clause (b) thereof (which financial statements, in accordance with Section 1.4(a) hereof, are not required to contain certain footnote disclosures required by GAAP), to ordinary year-end adjustments) the consolidated financial condition of the Persons covered thereby as of the dates thereof and the results of their operations for the periods then ended.

SECTION 7.7. No Material Adverse Effect. Since December 31, 1995, there has been no event or events which, singly or in the aggregate, have resulted in a Material Adverse Effect.

SECTION 7.8. Litigation, Labor Controversies, etc. Except as disclosed in Item 7.8 (Litigation) of the Disclosure Schedule, there is no pending or, to the knowledge of any Obligor, threatened litigation, action, proceeding or labor controversy affecting any Obligor, or any of their respective Subsidiaries, or any of their respective properties, businesses, assets or revenues, in respect of which there exists a reasonable possibility of an outcome that would result in a Material Adverse Effect or that would affect the legality, validity or enforceability of this Agreement or any other Loan Document.

SECTION 7.9. Subsidiaries. As of the date hereof, Micro has no Subsidiaries, except those Subsidiaries which are identified in Item 7.9 (Existing Subsidiaries) of the Disclosure Schedule and certain other Subsidiaries that are shell corporations that do not conduct any business and do not in the aggregate have a net worth exceeding $1,000,000.

SECTION 7.10. Ownership of Properties. Each Obligor and each of their respective Subsidiaries owns good and marketable title (or their respective equivalents in any applicable jurisdiction) to all of its properties and assets, real and personal, tangible and intangible, of any nature whatsoever, free and clear of all Liens, charges or claims except as permitted pursuant to Section 8.2.2, except where such failure or failures to own, singly or in the aggregate, has not resulted in, or would not reasonably be expected to result in, a Material Adverse Effect.

SECTION 7.11. Taxes. Each Obligor and each of their respective Subsidiaries has filed all material tax returns and reports it reasonably believes are required by law to have been filed by it and has paid all taxes and governmental charges thereby shown to be owing, except as disclosed in

Item 7.11 (Taxes) of the Disclosure Schedule and except for any such taxes or charges which are being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books; provided, however, that with respect to any Subsidiary that is not a Material Subsidiary this representation and warranty shall be satisfied if the tax returns or reports not so filed or the taxes or governmental charges owing by each such Subsidiary are not with respect to any income, sales or use tax and the amount so owing (or which would be so owing if such tax returns or reports were duly filed) with respect to all such Subsidiaries, does not exceed in the aggregate $1,000,000 at any time.

SECTION 7.12. Pension and Welfare Plans. Except to the extent that any such termination, liability, penalty or fine would not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect, (a) during the twelve-consecutive-month period prior to the date hereof and prior to the date of any Credit Extension hereunder, except as disclosed in Item 7.12 (Employee Benefit Plans) of the Disclosure Schedule, no steps have been taken to terminate any Pension Plan, and no contribution failure has occurred with respect to any Pension Plan sufficient to give rise to a Lien under section 302(f) of ERISA, (b) no condition exists or event or transaction has occurred with respect to any Pension Plan which might result in the incurrence by any Obligor or any member of the related Controlled Group of any material liability with respect to any contribution thereto, fine or penalty, and (c) except as disclosed in Item 7.12 (Employee Benefit Plans) of the Disclosure Schedule, neither any Obligor nor any member of the related Controlled Group has any material contingent liability with respect to any post-retirement benefit under a Welfare Plan, other than liability for continuation coverage described in Part 6 of Title I of ERISA.

SECTION 7.13. Environmental Warranties.

(a) Each Obligor and each of their respective Subsidiaries has obtained all environmental, health and safety permits, licenses and other authorizations required under all Environmental Laws to carry on its business as now being or as proposed to be conducted, except to the extent failure to have any such permit, license or authorization would not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect. Each of such permits, licenses and authorizations is in full force and effect and each Obligor and each of their respective Subsidiaries is in compliance with the terms and conditions thereof, and is also in compliance with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in any applicable Environmental Law or in any plan, judgment, injunction, notice or demand letter issued, entered or approved thereunder, except to the extent failure to comply therewith would not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect.

(b) No notice, notification, demand, request for information, citation, summons or order has been issued, no complaint has been filed, no penalty has been assessed and no investigation or review is pending or, to the knowledge of any Obligor, threatened by any governmental or other entity with respect to any alleged failure by any Obligor or any of their respective Subsidiaries to have any environmental, health or safety permit, license or other authorization required under any Environmental Law in connection with the conduct of the business of any Obligor or any of their respective Subsidiaries or with respect to any generation, treatment, storage, recycling, transportation, discharge or disposal, or any Release of any Hazardous Materials generated by any Obligor or any of their respective Subsidiaries, except to the extent failure to have any such permit, license or authorization would not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect.

SECTION 7.14. Outstanding Indebtedness. As of the date hereof neither Micro nor any of its Subsidiaries has any outstanding Indebtedness other than Indebtedness disclosed in Item 7.14 (Outstanding Indebtedness) of the Disclosure Schedule and Indebtedness that could be incurred pursuant to clause (ii) of Section 8.2.1 (a).

SECTION 7.15. Accuracy of Information.

(a) Except as otherwise set forth in paragraph (b) of this Section, all factual information furnished by or on behalf of any Obligor to any Lender Party for purposes of or in connection with this Agreement or any transaction contemplated hereby is, when taken as a whole, to the best of the knowledge of each Borrower, and all other factual information hereafter furnished by or on behalf of any Obligor to any Lender Party will be, when taken as a whole, to the best of the knowledge of each Borrower, true and accurate in all material respects on the date as of which such information is dated or certified and (in the case of any such information furnished prior to the date hereof) as of the date hereof (unless such information relates to an earlier date, in which case such information, when taken as a whole, shall be true and accurate in all material respects as of such earlier date), and is not, or shall not be, as the case may be, when taken as a whole, incomplete by omitting to state any material fact necessary to make such information not misleading.

(b) The information (i) describing the Transition Agreements and the transactions contemplated thereby set forth in the annexes to the certificate delivered to the Administrative Agent pursuant to Section 6.1.12, when considered as a whole, does not and will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances

under which they were made, not misleading, (ii) contained in any financial projections furnished hereunder is and will be based upon assumptions and information believed by Micro to be reasonable, and (iii) furnished with express written disclaimers with regard to the accuracy thereof, is and shall be subject to such disclaimers.

SECTION 7.16. Patents, Trademarks, etc. Each Obligor and each of their respective Subsidiaries owns and possesses, or has a valid and existing license of, or other sufficient interest in, all such patents, patent rights, trademarks, trademark rights, trade names, trade name rights, service marks, service mark rights and copyrights as is necessary for the conduct of the business of each such Obligor or its Subsidiaries as now conducted, without, to the best of the knowledge of each such Obligor, any infringement upon rights of other Persons, which infringement results in or would reasonably be expected to result in a Material Adverse Effect, and there is no license or other interest or right, the loss of which results in, or would reasonably be expected to result in, a Material Adverse Effect.

SECTION 7.17. Margin Stock. No part of the proceeds of any Credit Extension shall be used at any time by any Obligor or any of their respective Subsidiaries for the purpose, whether immediate, incidental or ultimate, of buying or carrying Margin Stock (within the meaning of Regulation U (as amended, modified, supplemented or replaced and in effect from time to time, "Regulation U") promulgated by the F.R.S. Board of Governors of the Federal Reserve System (together with any successor thereto, the "F.R.S. Board")) or to extend credit to others for the purpose of purchasing or carrying any Margin Stock if any such use or extension of credit described in this Section 7.17 would cause any of the Lender Parties to violate the provisions of Regulation U. Neither any Obligor nor any of their respective Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purposes of purchasing or carrying any such Margin Stock within the meaning of Regulation U. Not more than 25% of the value of the assets of any Obligor or any Subsidiary of any Obligor is, as of the date hereof, represented by Margin Stock. No part of the proceeds of any Credit Extension will be used by any Obligor or any of their respective Subsidiaries for any purpose which violates, or which is inconsistent with, any regulations promulgated by the F.R.S. Board, including Regulation U.

ARTICLE VIII

COVENANTS

SECTION 8.1. Affirmative Covenants. Each Borrower agrees with the Agents and each Lender that, until all the Commitments have terminated and all Obligations have been paid and performed in full, each Borrower will perform its respective obligations set forth in this Section 8.1.

SECTION 8.1.1. Financial Information, Reports, Notices, etc. Micro will furnish, or will cause to be furnished, to each Lender Party copies of the following financial statements, reports, notices and information:

(a) as soon as available and in any event within 120 days after the end of each Fiscal Year of Micro, a copy of the annual audit report for such Fiscal Year for Micro and its Consolidated Subsidiaries, including therein consolidated balance sheets of Micro and its Consolidated Subsidiaries as of the end of such Fiscal Year and consolidated statements of earnings, stockholders' equity and cash flow of Micro and its Consolidated Subsidiaries for such Fiscal Year, setting forth in each case, in comparative form, the figures for the preceding Fiscal Year, in each case certified (without any Impermissible Qualification, except that (i) qualifications relating to pre-acquisition balance sheet accounts of Person(s) acquired by Micro or any of its Subsidiaries and (ii) statements of reliance in the auditor's opinion on another accounting firm shall not be deemed an Impermissible Qualification) in a manner satisfactory to the Securities and Exchange Commission (under applicable United States securities law) by Price Waterhouse or its successors or other independent public accountants of national reputation;

(b) as soon as available and in any event within 60 days after the end of each of the first three Fiscal Periods occurring during any Fiscal Year of Micro, a copy of the unaudited consolidated and consolidating financial statements of Micro and its Consolidated Subsidiaries, consisting of (i) a balance sheet as of the close of such Fiscal Period and (ii) related statements of earnings and cash flows for such Fiscal Period and from the beginning of such Fiscal Year to the end of such Fiscal Period, in each case certified by an officer who is an Authorized Person of Micro as to (A) being a complete and correct copy of such financial statements which have been prepared in accordance with GAAP consistently applied as provided in Section 1.4, and (B) presenting fairly the financial position of Micro and its Consolidated Subsidiaries;

(c) at the time of delivery of each financial statement required by clause (a) or (b), a certificate signed by an Authorized Person of Micro stating that no Default has occurred and is continuing (or if a Default has occurred and is continuing, and without prejudice to any rights or remedies of any Lender Party hereunder in connection therewith, a statement of the nature thereof and the action which Micro has taken or proposes to take with respect thereto);

(d) at the time of delivery of each financial statement required by clause (a) or (b), a Compliance Certificate showing compliance with the financial covenants set forth in Section 8.2;

(e) to the extent not otherwise disclosed in a report on Form 10-K, Form 10-Q or Form 8-K filed with the Securities and Exchange Commission and previously furnished pursuant to clause (f) below, as soon as possible after the occurrence of any material adverse development with respect to any litigation, action, proceeding, or labor controversy disclosed in Item 7.8 (Litigation) of the Disclosure Schedule, or the commencement of any labor controversy, litigation, action, proceeding of the type described in Section 7.8, notice thereof;

(f) promptly after the filing thereof, copies of (i) any registration statements (other than the exhibits thereto and excluding any registration statement on Form S-8 and any other registration statement relating exclusively to stock, bonus, option, 401(k) and other similar plans for officers, directors and employees of Micro, Industries, Entertainment or any of their respective Subsidiaries), (ii) any amendments or supplements to the Investment Prospectus and (iii) all reports on Form 10-K, Form 10-Q or Form 8-K (or any respective successor forms thereto) which Micro or any Subsidiary of Micro is required to file with the Securities and Exchange Commission (or any successor authority) or any national securities exchange (including, in each case, any exhibits thereto requested by any Lender Party);

(g) to the extent not otherwise disclosed in a report on Form 10-K, Form 10-Q or Form 8-K filed with the Securities and Exchange Commission and previously furnished pursuant to clause (f) above, immediately upon becoming aware of the institution of any steps by any Obligor or any other Person to terminate any Pension Plan other than pursuant to Section 4041(b) of ERISA, or the failure to make a required contribution to any Pension Plan if such failure is sufficient to give rise to a Lien under Section 302(f) of ERISA, or the taking of any action with respect to a Pension Plan which could result in the requirement that any Obligor furnish a bond or other security to the PBGC or such Pension Plan, or the occurrence of any other event with respect to any Pension Plan which, in any such case, results in, or would reasonably be expected to result in, a Material Adverse Effect, notice thereof and copies of all documentation relating thereto;

(h) as soon as possible and in any event within three Business Days after becoming aware of the occurrence of a Default or any inaccuracy in the financial statements delivered pursuant to clause (a) or (b) of Section 8.1.1 if the result thereof is not to present fairly the consolidated financial condition of the Persons covered thereby as of the dates thereof and the results of their operations for the periods then ended, a statement of an Authorized Person of Micro setting forth the details of such Default or inaccuracy and the action which Micro has taken or proposes to take with respect thereto;

(i) in the case of each Borrower, promptly following the consummation of any transaction described in Section 8.2.5, a description in reasonable detail regarding the same; and

(j) such other information respecting the condition or operations, financial or otherwise, of each Borrower, or any of their respective Subsidiaries as any Lender through the Administrative Agent may from time to time reasonably request.

SECTION 8.1.2. Compliance with Laws, etc. Each Borrower will (and each Borrower will cause each of its Subsidiaries to) comply in all respects with all applicable laws, rules, regulations and orders the noncompliance with which results in, or would reasonably be expected to result in, a Material Adverse Effect, such compliance to include (without limitation):

(a) except as may be otherwise permitted pursuant to Section 8.2.5, the maintenance and preservation of its corporate existence (and in the case of Coordination Center, its status as a coordination center) in accordance with the laws of the jurisdiction of its incorporation and qualification as a foreign corporation (subject to the materiality standard referred to above); and

(b) the payment, before the same become delinquent, of all taxes, assessments and governmental charges imposed upon it or upon its property except to the extent being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books; provided, however, that with respect to any Subsidiary that is not a Material Subsidiary this covenant shall be satisfied if the taxes, assessments or other governmental charges owing by each such Subsidiary is not with respect to any income, sales or use tax and the amount so owing with respect to all such Subsidiaries does not exceed in the aggregate $1,000,000 at any time.

SECTION 8.1.3. Maintenance of Properties. Each Borrower will (and each Borrower will cause each of its Subsidiaries to) maintain, preserve, protect and keep its material properties in good repair, working order and condition, and make necessary and proper repairs, renewals and replacements so that its business carried on in connection therewith may be properly conducted at all times, unless such Borrower or such Subsidiary determines in good faith that the continued maintenance of any of its properties is no longer economically desirable.

SECTION 8.1.4. Insurance. Each Borrower will (and each Borrower will cause each of its Subsidiaries to) maintain, or cause to be maintained with responsible insurance companies or through such Borrower's own program of self-insurance, insurance with respect to its properties and business against such casualties and contingencies and of such types and in such amounts as is customary in the case of similar businesses and will, upon request of the

Administrative Agent, furnish to each Lender at reasonable intervals a certificate of an Authorized Person of such Borrower setting forth the nature and extent of all insurance maintained by such Borrower and each of its Subsidiaries in accordance with this Section 8.1.4.

SECTION 8.1.5. Books and Records. Each Borrower will (and each Borrower will cause each of its Subsidiaries to) keep books and records which accurately reflect all of its business affairs and transactions and permit the Administrative Agent and each Lender, or any of their respective representatives, at reasonable times and intervals, to visit all of its offices, to discuss its financial matters with its officers and independent public accountants (and each Borrower hereby authorizes such independent public accountants to discuss the financial matters of such Borrower and its Subsidiaries with the Administrative Agent and each Lender or its representatives whether or not any representative of such Borrower is present but provided that an officer of such Borrower is afforded a reasonable opportunity to be present at any such discussion) and to examine any of its relevant books or other corporate records. Micro will pay all expenses associated with the exercise of any Lender Party's rights pursuant to this Section 8.1.5 at any time during the occurrence and continuance of any Event of Default.

SECTION 8.1.6. Environmental Covenant. Each Borrower will (and each Borrower will cause each of its Subsidiaries to):

(a) use and operate all of its facilities and properties in compliance with all Environmental Laws which, by their terms, apply to such use and operation, keep all necessary permits, approvals, certificates, licenses and other authorizations relating to environmental matters in effect and remain in compliance therewith, and handle all Hazardous Materials in compliance with all Environmental Laws which, by their terms, apply to such Hazardous Materials, in each case so that the non-compliance with any of the foregoing does not result in, or would not reasonably be expected to result in, either singly or in the aggregate, a Material Adverse Effect;

(b) immediately notify the Administrative Agent and provide copies upon receipt of all written claims, complaints, notices or inquiries relating to the condition of its facilities and properties or compliance with Environmental Laws which, singly or in the aggregate, result in, or would reasonably be expected to result in, a Material Adverse Effect, and shall promptly cure and have dismissed with prejudice any actions and proceedings relating to compliance with Environmental Laws where the failure to so cure or have dismissed, singularly or in the aggregate, results in, or would reasonably be expected to result in, a Material Adverse Effect (it being understood that this clause (b) shall not be construed to restrict any Borrower or any of its Subsidiaries from challenging or defending any such action or proceeding which it, in its sole discretion, deems advisable or necessary); and

(c) provide such information and certifications which the Administrative Agent may reasonably request from time to time to evidence compliance with this Section 8.1.6.

SECTION 8.1.7. Use of Proceeds. Each Borrower shall apply the proceeds of each Credit Extension in accordance with the last recital of this Agreement and shall not use directly and immediately, any proceeds to acquire, or finance the acquisition of, any equity interest in Coordination Center.

SECTION 8.1.8. Pari Passu. Each Borrower shall ensure that such Borrower's Obligations rank at least pari passu with all other unsecured Indebtedness of such Borrower.

SECTION 8.1.9. Guarantee or Suretyship. If any Borrower or any of its Subsidiaries becomes a party to any contract of guarantee or suretyship which would constitute Indebtedness, or if any of its assets becomes subject to such a contract, that contract will be disclosed in the next financial information to be provided by Micro pursuant to clause (c) of Section 8.1.1; provided, however, that any failure to comply with the disclosure obligations of this Section 8.1.9 shall not constitute a Default unless the existence of the contract or contracts of guarantee or suretyship which Micro fails to disclose would result in a Default under clause (c) of Section 8.2.3.

SECTION 8.1.10. Additional Guaranty. Micro (a) may cause any of its Subsidiaries to execute and deliver from time to time in favor of the Lender Parties additional guaranties (each an "Additional Guaranty") for the repayment of the Obligations and (b) shall, concurrently or promptly after any of its Subsidiaries (i) guarantees any Indebtedness of Micro or any other Obligor or (ii) satisfies (at any time) the requirements hereunder which describe a Material Subsidiary, cause such Subsidiary to execute and deliver in favor of the Lender Parties an Additional Guaranty for the repayment of the Obligations. Each Additional Guaranty (including, without limitation, any Additional Guaranty executed and delivered by an Acceding Borrower pursuant to Section 6.3.3) shall be in substantially the form of Exhibit J attached hereto, shall be governed by the laws of a State of the United States and shall contain such other terms and provisions as the Administrative Agent determines to be necessary or appropriate (after consulting with legal counsel) in order that such Additional Guaranty complies with local laws, rules and regulations and is fully enforceable (at least to the extent of such Additional Guaranty) against such Additional Guarantor; provided, that, in the event it shall be illegal under any local law, rule or regulation for any Additional Guaranty to be governed by the law of any State of the United States, and the Administrative Agent shall have received evidence of such illegality (including, if the Administrative Agent shall so request, an opinion of

local counsel as to such matters, which counsel and the form and substance of such opinion shall be reasonably satisfactory to the Administrative Agent) reasonably satisfactory to it, the Administrative Agent shall consent to such Additional Guaranty being governed by the laws of a jurisdiction outside of the United States, which jurisdiction shall be subject to the prior approval of the Administrative Agent.

In connection with the delivery of any such Additional Guaranty by an Additional Guarantor there shall be delivered an opinion of counsel (which counsel and the form and substance of such opinion shall be reasonably satisfactory to the Administrative Agent and the Required Lenders, it being agreed that if the Additional Guaranty is governed by the laws of any State of the United States, the General Counsel of Micro shall be satisfactory counsel for purposes hereof) addressed to the Documentation Agent, the Administrative Agent and the Lenders addressing the matters set forth in Exhibit M, as it relates to such Additional Guarantor and Additional Guaranty.

SECTION 8.1.11. Intra-Group Agreement, etc. Except to add additional Subsidiaries of Micro as parties thereto, the terms of the Intra-Group Agreement shall not be amended or otherwise modified without the prior consent of the Administrative Agent on behalf of and as directed by the requisite Lenders, such consent not to be unreasonably withheld. In addition, no Person a party to the Intra-Group Agreement shall assign any of its rights or obligations thereunder without the prior consent of the Administrative Agent, such consent not to be unreasonably withheld.

SECTION 8.2. Negative Covenants. Each Borrower agrees with the Administrative Agent and each Lender that, until all the Commitments have terminated and all Obligations have been paid and performed in full, each Borrower will perform its respective obligations set forth in this Section 8.2.

SECTION 8.2.1. Restriction on Incurrence of Indebtedness.

(a) No Borrower will (and no Borrower will permit any of its Subsidiaries to) create, incur, assume or suffer to exist or otherwise become or be liable in respect of any Indebtedness, other than the following:

(i) Indebtedness in respect of the Credit Extensions;

(ii) Indebtedness existing as of the date hereof or incurred pursuant to commitments or lines of credit in effect on the date hereof (or any renewal or replacement thereof, so long as such renewals or replacements do not increase the amount of such Indebtedness or such commitments or lines of credit), in any case identified in Item 8.2.1(a)(ii) (Ongoing Indebtedness) of the Disclosure Schedule; and

(iii) additional Indebtedness if after giving effect to the incurrence thereof the Borrowers are in compliance with Section 8.2.3, calculated as of the date of the incurrence of such additional Indebtedness, on a pro forma basis.

(b) Micro will not at the end of any Fiscal Period permit the sum of (i) Total Indebtedness of Subsidiaries (other than any Guarantor) and (ii) the Amount of Additional Liens to exceed fifteen percent (15%) of Consolidated Tangible Net Worth.

SECTION 8.2.2 Restriction on Incurrence of Liens. No Borrower will (and no Borrower will permit any of its Subsidiaries to) create, incur, assume or suffer to exist any Lien upon any of its property, revenues or assets, whether now owned or hereafter acquired, except:

(a) Liens existing as of the date hereof and identified in Item 8.2.2(a) (Existing Liens) of the Disclosure Schedule and Liens resulting from the extension, renewal or replacement of any such Liens in respect of the same property theretofore subject to such Lien; provided, however, that no property shall become subject to such extended, renewed or replacement Lien that was not subject to the Lien extended, renewed or replaced, the aggregate principal amount of Indebtedness secured by any such extended, renewed or replacement Lien shall not be increased by such extension, renewal or replacement, the Indebtedness secured by such Lien shall be incurred in compliance with the applicable terms hereof, including Section 8.2.3, and both immediately before and after giving effect thereto, no Default shall exist;

(b) Liens for taxes, assessments or other governmental charges or levies not at the time delinquent or thereafter payable without penalty or being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books;

(c) Liens of carriers, warehousemen, mechanics, materialmen and landlords incurred in the ordinary course of business for sums not overdue or being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books;

(d) Liens incurred in the ordinary course of business in connection with worker's compensation, unemployment insurance or other forms of governmental insurance or benefits, or to secure performance of statutory obligations, leases and contracts (other than for borrowed money) entered into in the ordinary course of business or to secure obligations on surety or appeal bonds;

(e) judgment Liens of less than $60,000,000 in the aggregate, or

with respect to which execution has been stayed or the payment of which is covered in full (subject to a customary deductible) by insurance maintained with responsible insurance companies and for which, within 30 days of such judgment, the insurance carrier has acknowledged coverage in writing;

(f) Liens on property purchased or constructed after the date hereof securing Indebtedness used to purchase or construct such property; provided, however, that no such Lien shall be created in or attach to any other asset at the time owned by Micro or any of its Subsidiaries if the aggregate principal amount of the Indebtedness secured by such property would exceed the fair market value of such property and assets, taken as a whole, the aggregate outstanding principal amount of Indebtedness secured by all such Liens shall not at any time exceed one hundred percent (100%) of the fair market value of such property at the time of the purchase or construction thereof, and each such Lien shall have been incurred within two hundred seventy (270) days of the purchase or completion of construction of such property;

(g) Liens resulting from utility easements, building restrictions and such other encumbrances or charges against real property as are of a nature generally existing with respect to properties of a similar character and which do not in any material way affect the marketability of the same or interfere with the use thereof in the business of any Borrower or any of its Subsidiaries;

(h) Liens incurred in the normal course of business in connection with bankers' acceptance financing or used in the ordinary course of trade practices, statutory lessor and vendor privilege liens and liens in connection with ad valorem taxes not yet due, good faith bids, tenders and deposits;

(i) Liens on all goods held for sale on consignment;

(j) Liens granted by any Subsidiary of Micro in favor of Micro or in favor of another Subsidiary of Micro that is the parent of such Subsidiary granting the Lien, other than Liens granted by a Guarantor to a Subsidiary of Micro that is not a Guarantor; provided, however, that no Person that is not a Subsidiary of Micro shall be secured by or benefit from any such Lien;

(k) Liens of the nature referred to in clause (b) of the definition of the term "Lien" and granted to a purchaser or any assignee of such purchaser which has financed the relevant purchase of Trade Accounts Receivable of any Borrower or any of their respective subsidiaries;

(l) Liens on accounts receivable of Micro Canada with respect to any accounts receivable securitization program; and

(m) Additional Permitted Liens.

SECTION 8.2.3. Financial Condition. Micro will not permit any of the following:

(a) the Consolidated Current Ratio as at the end of any Fiscal Period to be less than 1.0 to 1.0; or

(b) the ratio of (i) Consolidated EBITDA for any period of four consecutive Fiscal Periods to (ii) Consolidated Interest Charges for such period to be less than 3.5 to 1.0; or

(c) the ratio of (i) the average daily balances of Consolidated Funded Debt during any Fiscal Period to (ii) Consolidated EBITDA for the period of four Fiscal Periods ending on the last day of such Fiscal Period to exceed 3.5 to 1.0; provided that, for purposes of calculating this ratio, Consolidated Funded Debt on any day shall be the amount otherwise determined pursuant to the definition thereof plus the amount of Consolidated Transferred Receivables on such day.

(d) the Consolidated Tangible Net Worth as at the end of any Fiscal Period to be less than the sum of (i) the greater of (A) $500,000,000 and (B) an amount equal to 90% of Consolidated Tangible Net Worth as at the end of the Fiscal Year ending nearest to December 31, 1996, plus (ii) as at the end of each Fiscal Year commencing with the Fiscal Year ending closest to December 31, 1997, 67% of Consolidated Net Income (without taking into account any losses incurred in any Fiscal Year) since the beginning of the Fiscal Year which began closest to December 31, 1996.

SECTION 8.2.4. Dividends. Except for dividends paid, or redemptions made, in any Fiscal Year that do not exceed fifty percent (50%) of Consolidated Net Income for the immediately preceding Fiscal Year, Micro will not declare or pay any dividends (in cash, property or obligations) or any other payments or distributions on account of, or set apart money for a sinking or analogous fund for, or purchase, redeem, retire or otherwise acquire for value, any shares of its capital stock now or hereafter outstanding or any warrants, options or other rights to acquire the same; return any capital to its stockholders as such; or make any distribution of assets to its stockholders as such; provided, however, that Micro may redeem, purchase or acquire any of its capital stock (i) issued to employees pursuant to any Plan or other contract or arrangement relating to employment upon the termination of employment or other events or (ii) in a transaction contemplated by the Transition Agreements.

SECTION 8.2.5. Consolidation, Merger, Asset Acquisitions, etc.

(a) No Borrower will liquidate or dissolve, consolidate with, or merge into or with, or exchange shares with, any other Person, or sell, transfer, lease or otherwise dispose of all or substantially all of its assets to any Person, except, if no Default has occurred and is continuing or would occur after giving effect thereto:

(i) any Obligor (except Micro) may liquidate or dissolve voluntarily into any other Obligor and may merge into or with or exchange shares with any other Person or sell, transfer, lease or otherwise dispose of all or substantially all of its assets to any other Person, so long as the surviving entity or such transferee of such assets shall continue to be an Obligor;

(ii) Micro may merge into or with any other Person; provided, that: (A) either (1) Micro is the surviving entity or (2) the surviving entity formed by such consolidation or into which Micro shall be merged (which entity shall be a Person organized, existing and in good standing under the laws of a State of the United States) shall expressly assume Micro's Obligations in a written agreement or undertaking satisfactory in form and substance to Lenders holding, in the aggregate, 85% of the Commitments and (B) Micro can demonstrate (in a manner and in such scope and detail as are acceptable to either (1) if such merger satisfies the requirements of subclause (1) of clause (A) above, the Required Lenders, or (2) if such merger satisfies the requirements of subclause (2) of clause (A) above, Lenders holding, in the aggregate, 85% of the Commitments) that the surviving entity (x) will be, immediately upon and following the consummation of such proposed transaction, in compliance with each of the covenants set forth in Sections 8.2.1 and 8.2.2 and (y) on a pro forma basis, assuming such proposed transaction had been consummated on the first day of the most recently ended period of four Fiscal Periods for which financial statements have been or are required to have been delivered pursuant to Section 8.1.1, would have been in compliance with each of the covenants set forth in Section 8.2.3 as of the last day of such period; and

(iii) Micro may exchange shares with any Person; provided, that (A) either (1) Micro is the surviving entity of the transaction in which such shares were exchanged, or (2) if Micro shall not continue to exist following such transaction, the surviving entity of such transaction (which entity shall be a Person organized, existing and in good standing under the laws of a State of the United States) shall expressly assume Micro's Obligations in a written agreement or undertaking satisfactory in form and substance to Lenders holding, in the aggregate, 85% of the Commitments or (B) the entity resulting from such transaction or the entity with whose shareholders Micro's shares were exchanged in such transaction shall, following such transaction, be a Subsidiary of Micro or shall be a Person in which Micro shall, as a result of such transaction, have acquired a direct or indirect interest permitted to be held by Micro hereunder.

(b) No Borrower will purchase or otherwise acquire (in one transaction or a series of related transactions) from any other Person property or assets the aggregate purchase price of which (calculated in Dollars) paid in cash or property (other than property consisting of equity shares or interests or other equivalents of corporate stock of, or partnership or other ownership interests in, any Obligor), equals or exceeds twenty-five percent (25%) of the sum (calculated without giving effect to such purchase or acquisition) of (i) Consolidated Funded Debt determined as at the end of the then most recently ended Fiscal Period plus (ii) Consolidated Stockholders' Equity determined as at the end of the then most recently ended Fiscal Period, plus any increase thereof attributable to any equity offerings or issuances of capital stock occurring subsequent to the end of such Fiscal Period and prior to any such purchase or acquisition (any such purchase or acquisition, a "Material Asset Acquisition")), except, if no Default has occurred and is continuing or would occur after giving effect thereto, Micro may make a Material Asset Acquisition; provided that, prior to the consummation of any proposed Material Asset Acquisition, Micro shall (x) notify the Administrative Agent that it intends to make such proposed Material Asset Acquisition and that it reasonably believes that it will be able to certify as required by clause (y) below and (y) deliver to the Administrative Agent a certificate duly executed and delivered by an Authorized Person of Micro, certifying that (1) immediately upon and following the consummation of such proposed Material Asset Acquisition, Micro will be in compliance with each of the covenants set forth in Sections 8.2.1 and 8.2.2 and (2) on a pro forma basis, assuming such proposed Material Asset Acquisition had been consummated on the first day of the most recently ended period of four Fiscal Periods for which financial statements have been or are required to have been delivered pursuant to Section 8.1.1, Micro would have been in compliance with each of the covenants set forth in Section 8.2.3 as of the last day of such period; provided further, that no purchase or acquisition of property or assets of the character described in and permitted pursuant to clause (c) of Section 8.2.9 shall constitute a Material Asset Acquisition.

SECTION 8.2.6. Transactions with Affiliates. No Borrower will (and no Borrower will permit any of its Subsidiaries to), except in the ordinary course of business, directly or indirectly, pay any funds to or for the account of, make any investment (whether by acquisition of stock or indebtedness, by loan, advance, transfer of property, guarantee or other agreement to pay, purchase or service, directly or indirectly, any Indebtedness, or otherwise) in, lease, sell, transfer or otherwise dispose of any assets, tangible or intangible, to, or participate in, or effect, any transaction with, any Affiliate (any such payment, investment, lease, sale,

transfer, other disposition or transaction, an "Affiliate Transaction") except on an arms-length basis on terms at least as favorable to such Borrower (or such Subsidiary) as terms that could have been obtained from a third party who was not an Affiliate; provided that the foregoing provisions of this Section shall not prohibit (i) agreements with or for the benefit of employees of such Borrower or any of its Subsidiaries regarding bridge home loans and other loans necessitated by the relocation of such Borrower's or such Subsidiary's business or employees, or regarding short-term hardship advances, (ii) loans to officers or employees of such Borrower or any of its Subsidiaries in connection with the exercise of rights under such Borrower's stock option or stock purchase plan, (iii) any such Person from declaring or paying any lawful dividend or other payment ratably in respect of all of its capital stock of the relevant class so long as, in the case of Micro, after giving effect thereto, no Default shall have occurred and be continuing, (iv) any Affiliate Transaction pursuant to a Transition Agreement or disclosed in the Investment Prospectus, (v) any Affiliate Transaction between Micro and any of its Subsidiaries or between any Subsidiaries of Micro or (vi) any Affiliate Transaction (other than any Affiliate Transaction described in clauses (i) through (v)) in which the amount involved does not exceed $50,000; provided, further, however, the Borrowers shall not, nor shall they permit any of their respective Subsidiaries to, participate in or effect any Affiliate Transactions otherwise permitted pursuant to this Section which either individually or in the aggregate may involve obligations that are reasonably likely to have a Material Adverse Effect. The approval by the independent directors of the Board of Directors of the relevant Borrower (or the relevant Subsidiary thereof) of any Affiliate Transaction to which such or such Borrower (or the relevant Subsidiary thereof) is a party shall create a rebuttable presumption that such Affiliate Transaction is on an arms-length basis on terms at least as favorable to such Borrower (or the relevant Subsidiary thereof) as terms that could have been obtained from a third party who was not an Affiliate.

SECTION 8.2.7. Limitations on Margin Stock Acquisitions. Without first providing the notice to the Administrative Agent and the Lenders required by this Section 8.2.7, the Borrowers shall not (and shall not permit their respective Subsidiaries to) acquire any outstanding stock of any U.S. or non-U.S. corporation, limited company or similar entity of which the shares constitute Margin Stock if after giving effect to such acquisition, Micro and its Affiliates shall hold, in the aggregate, more than five percent (5%) of the total outstanding stock of the issuer of such Margin Stock (the "Relevant Issuer"). Such notice shall include the name and jurisdiction of organization of the Relevant Issuer, the market on which such stock is traded, the total percentage of the Relevant Issuer's stock currently held, and the purpose for which the acquisition is being made. If any Lender Party notifies Micro, within five Business Days of its receipt of any notice described in this Section 8.2.7, that it elects not to fund any further Credit Extension for the reason that such Lender Party has a substantial relationship with the Relevant Issuer or any of its Subsidiaries or Affiliates, where, in each case, such Credit Extension would be used to acquire or carry Margin Stock of the Relevant Issuer, then, and notwithstanding anything to the contrary contained in this Agreement, and subject to the consent of Micro (which consent shall not be unreasonably withheld), such Lender Party shall have no further obligation with respect to any Credit Extension requested after the date of such notice from such Lender Party, the proceeds of which would be used directly or indirectly for the purchase or carrying of such Margin Stock (it being understood and agreed, however, that in no event shall any Lender be required to fund more than its Percentage of any proposed Borrowing). The acceptance by each Borrower of the proceeds of any Credit Extension shall constitute a representation and warranty by each Borrower that no part of any such Credit Extension will be used directly or indirectly to make any further acquisition of the stock of any Relevant Issuer.

SECTION 8.2.8. Limitation on Sale of Trade Accounts Receivable. Notwithstanding anything to the contrary in this Agreement, no Borrower will (and no Borrower will permit any of its Subsidiaries to) sell, assign, grant a Lien in, or otherwise transfer any interest in its Trade Accounts Receivable to any Person if, after giving effect thereto, the ratio (expressed as a percentage) of Consolidated Transferred Receivables, to the sum of Consolidated Retained Receivables plus Consolidated Transferred Receivables shall exceed 40%.

SECTION 8.2.9. Sale of Assets. No Obligor will (and no Obligor will permit any of its Subsidiaries to) Dispose of any property or assets other than in the ordinary course of business, except that:

(a) Micro or any Subsidiary of Micro may Dispose of any of its assets so long as the proceeds thereof are either (i) utilized to repay or prepay (in accordance with the provisions of ARTICLE IV hereof) Pro-Rata Revolving Loans (provided, that in the event the amount of such proceeds shall exceed the aggregate principal amount of all Pro-Rata Revolving Loans outstanding hereunder at such time, such excess proceeds may be utilized to repay or prepay (in accordance with the provisions hereof) other loans outstanding at such time) or (ii) so long as no Default has occurred and is continuing or would occur after giving effect thereto, reinvested in one or more of the businesses in which Micro or any of its Subsidiaries is principally engaged in accordance with Section 8.2.10 hereof;

(b) Micro or any Subsidiary of Micro may Dispose of assets which are worn out, obsolete or surplus or otherwise have no further useful life to Micro or any of its Subsidiaries; and

(c) so long as no Default has occurred and is continuing or would occur after giving effect thereto, Micro and any Subsidiary of Micro may Dispose of assets in transactions exclusively among Micro and any of its Subsidiaries or among Subsidiaries of Micro that satisfy the requirements of Section 8.2.6; provided, that, notwithstanding any

provision hereof to the contrary, in the event that, immediately after giving effect to any Disposition described in this clause (c) to a Subsidiary of Micro, such Subsidiary shall own assets constituting at least ten percent (10%) of Consolidated Assets determined as of the last day of the most recently completed Fiscal Period, such Subsidiary of Micro shall be deemed a Material Subsidiary for all purposes hereunder as of the date of such Disposition and Micro shall cause any such Material Subsidiary promptly to execute and deliver an Additional Guaranty in favor of the Lender Parties in accordance with Section 8.1.10; provided further, that, notwithstanding the foregoing, so long as no Event of Default has occurred and is continuing or would occur after giving effect thereto, (i) any Subsidiary of Micro which is not at the time of such Disposition an Obligor may Dispose of assets in transactions exclusively with (A) Micro, (B) any Subsidiary of Micro which, at the time of such Disposition, is an Obligor and (C) any other Subsidiary of Micro which is not at the time of such Disposition an Obligor, unless, immediately after giving effect to such Disposition, such other Subsidiary of Micro would become a Material Subsidiary and such other Subsidiary does not, promptly after such Disposition, execute an Additional Guaranty in accordance with Section 8.1.10 and (ii) Micro or any Subsidiary of Micro which is at the time of such Disposition also an Obligor may Dispose of assets in transactions exclusively with (A) Micro and (B) any other Subsidiary of Micro which, at the time of such Disposition, is also an Obligor.

For purposes of this Section 8.2.9 "Dispose" means sell, lease, transfer or otherwise dispose of property but shall not include any public taking or condemnation, and "Disposition" and "Disposed of" have corresponding meanings to Dispose. Such terms shall not include an exchange of assets, provided that the assets involved in such exchange are similar in function in that after giving effect to such exchange there has not been (i) a Material Adverse Effect, (ii) any material deterioration of cash flow generation from or in connection with such assets, or (iii) any material deterioration in the overall quality of plant, property and equipment of any Obligor. An "exchange" shall be deemed to have occurred for purposes hereof if each of the transactions involved shall have been consummated within a six month period.

SECTION 8.2.10. Limitation on Businesses. Micro and its Subsidiaries, considered as a whole, will not engage principally in businesses other than those conducted by Micro and its Subsidiaries on the date hereof, as described in the Preamble of this Agreement.

ARTICLE IX

EVENTS OF DEFAULT

SECTION 9.1. Listing of Events of Default. Any of the following events or occurrences described in this Section 9.1 shall constitute an "Event of Default".

SECTION 9.1.1. Non-Payment of Obligations. A default shall occur in the payment or prepayment when due by any Borrower of any principal of any Loan, by any Borrower of any interest on any Loan, by any Borrower of any Reimbursement Obligation or any deposit of cash for collateral purposes pursuant to Section 3.2.2 or 3.2.4 or by any Guarantor of any Guaranteed Obligation (as defined in such Guarantor's Guaranty), and in the case of clause (b), (c) or (d), such default shall continue unremedied for a period of five Business Days.

SECTION 9.1.2. Breach of Warranty. Any representation or warranty of any Obligor made or deemed to be made hereunder or in any other Loan Document executed by it or in any other writing or certificate furnished by or on behalf of any Obligor to the Administrative Agent or any Lender for the purposes of or in connection with this Agreement or any such other Loan Document (including any certificates delivered pursuant to ARTICLE VI) is or shall be incorrect when made in any material respect.

SECTION 9.1.3. Non-Performance of Certain Covenants and Obligations. Any Obligor shall default in the due performance and observance of any of its obligations under Section 8.2.2, 8.2.3, 8.2.4 or 8.2.5 (excluding any default by Micro in the performance of its obligation to deliver, prior to the consummation of any Material Asset Acquisition, the certificate required to be so delivered in connection therewith pursuant to clause (y) of paragraph (b) of Section 8.2.5).

SECTION 9.1.4. Non-Performance of Other Covenants and Obligations. Any Obligor shall default in the payment when due of any fee or any other Obligation not subject to Section 9.1.1, or the due performance and observance of any other covenant, agreement or obligation contained herein or in any other Loan Document, and such default shall continue unremedied for a period of 30 days after Micro obtains actual knowledge thereof or notice thereof shall have been given to Micro by the Administrative Agent or any Lender.

SECTION 9.1.5. Default on Indebtedness. A default shall occur in the payment when due (subject to any applicable grace period), whether by acceleration or otherwise, of any Indebtedness of any Obligor or any of its Subsidiaries (other than Indebtedness described in Section 9.1.1 or Indebtedness which is non-recourse to any Obligor, or any Subsidiary of any Obligor) having an outstanding aggregate principal amount in excess of the lesser of (a) (i) 5% of Consolidated Tangible Net Worth for the then most recently ended Fiscal Period, individually, or (ii) 10% of Consolidated Tangible Net Worth for the then most recently ended Fiscal Period, in the aggregate and (b) $75,000,000 (or the equivalent thereof in any other currency), or a default shall occur in the performance or observance of any obligation or condition with respect to such Indebtedness if the effect of such default is to cause, or (with the giving of any notice or lapse of

time or both) to permit the holder or holders of such Indebtedness, or any trustee or agent for such holders to cause, the maturity of any such Indebtedness to be accelerated or such Indebtedness to be prepaid, redeemed, purchased, defeased or otherwise to become due and payable prior to its expressed maturity.

SECTION 9.1.6. Judgments. Any judgment or order for the payment of money in excess of (individually or in the aggregate) $60,000,000 (or the equivalent thereof in any other currency), shall be rendered against any Obligor or any of their respective Subsidiaries and either:

(a) enforcement proceedings shall have been commenced and be continuing by any creditor upon such judgment or order for any period of 10 consecutive days; or

(b) there shall be any period during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect.

SECTION 9.1.7. Pension Plans. Any of the following events shall occur with respect to any Pension Plan:

(a) the institution of any steps by any Obligor, any member of its Controlled Group or any other Person to terminate a Pension Plan if, as a result of such termination, any such Obligor or any such member could be required to make a contribution in excess of $60,000,000 (or the equivalent thereof in any other currency), to such Pension Plan, or could reasonably expect to incur a liability or obligation in excess of $60,000,000 (or the equivalent thereof in any other currency), to such Pension Plan; or

(b) a contribution failure occurs with respect to any Pension Plan sufficient to give rise to a Lien under section 302(f) of ERISA.

SECTION 9.1.8. Ownership; Board of Directors. Any Person or two or more Persons (excluding the Family Stockholders (as defined in the Board Representation Agreement)) acting in concert shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (or any successor regulation)) of capital stock of Micro having more than 25% of the ordinary voting power of all capital stock of Micro then outstanding; and at any time during any period of 25 consecutive calendar months commencing on or after the date of this Agreement, a majority of the Board of Directors of Micro shall no longer be composed of individuals (i) who were members of such Board of Directors on the first day of such period, (ii) whose election or nomination to such Board of Directors was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of such Board of Directors or (iii) whose election or nomination to such Board of Directors was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of such Board of Directors.

SECTION 9.1.9. Bankruptcy, Insolvency, etc. Any Obligor or any Material Subsidiary shall:

(a) become insolvent or generally fail to pay, or admit in writing its inability to pay, debts as they become due;

(b) apply for, consent to, or acquiesce in, the appointment of a trustee, receiver, administrative receiver, sequestrator, liquidator or other custodian for it, its property, or make a general assignment for the benefit of creditors;

(c) in the absence of such application, consent or acquiescence, permit or suffer to exist the appointment of a trustee, administrative receiver, receiver, sequestrator, liquidator or other custodian for it or for a substantial part of its property, and such trustee, receiver, sequestrator, liquidator or other custodian shall not be discharged within 60 days, provided that each Obligor and each Material Subsidiary hereby expressly authorizes each Lender Party to appear in any court conducting any relevant proceedings during such 60-day period to preserve, protect and defend its rights under this Agreement and the other Loan Documents;

(d) permit or suffer to exist the commencement of any bankruptcy, reorganization, debt arrangement or other case or proceeding under any bankruptcy or insolvency law, or any dissolution, winding up or liquidation proceeding, in respect of any Obligor or any Subsidiary thereof, as the case may be, and, if any such case or proceeding is not commenced by such Person, such case or proceeding shall be consented to or acquiesced in by such Obligor or Material Subsidiary, as the case may be, or shall result in the entry of an order for relief or shall remain for 60 days unstayed or undismissed, provided that each Obligor and each Material Subsidiary hereby expressly authorizes each Lender Party to appear in any court conducting any such case or proceeding during such 60-day period to preserve, protect and defend its rights under this Agreement and the other Loan Documents; or

(e) take any action authorizing, or in furtherance of, any of the foregoing.

SECTION 9.1.10. Guaranties. Any of the Guaranties or any provisions thereof shall be found or held invalid or unenforceable by a court of competent jurisdiction or shall have ceased to be effective because of the merger, dissolution or liquidation of a Guarantor (other than as may result from a transaction permitted pursuant to Section 8.2.5 hereof or by reason

of a merger of a Guarantor under one Guaranty into the Guarantor under another Guaranty) or any Guarantor shall have repudiated its obligations under a Guaranty.

SECTION 9.2. Action if Bankruptcy. If any Event of Default described in Section 9.1.9 shall occur, the Commitments (if not theretofore terminated) shall automatically terminate and the outstanding principal amount of all outstanding Loans and all other Obligations shall automatically be and become immediately due and payable, without notice or demand.

SECTION 9.3. Action if Other Event of Default. If any Event of Default (other than any Event of Default described in Section 9.1.9) shall occur for any reason, whether voluntary or involuntary, and be continuing, the Administrative Agent, upon the direction of the Required Lenders, shall by notice to Micro declare all or any portion of the outstanding principal amount of the Loans and all other Obligations to be due and payable and/or the Commitments to be terminated, whereupon the full unpaid amount of the Loans and all other Obligations which shall be so declared due and payable shall be and become immediately due and payable, without further notice, demand or presentment, and/or, as the case may be, the Commitments shall terminate.

SECTION 9.4. Action by Terminating Lender. If an Event of Default shall occur because the Borrowers have failed to pay in full a Terminating Lender, for any reason, voluntary or involuntary, the Terminating Lender may by notice to Micro declare all or any portion of the outstanding principal amount of the Loans made by such Terminating Lender and all other Obligations owed to such Terminating Lender to be due and payable and/or its commitment to be terminated, whereupon the full unpaid amount of such Loans and all such other Obligations which shall be so declared due and payable shall be and become immediately due and payable, without further notice, demand or presentment, and/or, as the case may be, its Commitment shall terminate.

SECTION 9.5. Cash Collateral. If any Event of Default shall occur for any reason, whether voluntary or involuntary, and shall not have been cured or waived and shall be continuing and the Obligations are or have been declared due and payable under Section 9.2 or 9.3, the Administrative Agent may apply any cash collateral held by the Administrative Agent pursuant to Section 3.2.4 to the payment of the Obligations in any order in which the Majority Lenders may elect.

ARTICLE X

THE ADMINISTRATIVE AGENT AND DOCUMENTATION AGENT

SECTION 10.1. Authorization and Actions. Each Lender hereby appoints NationsBank as the Administrative Agent and Scotiabank as the Documentation Agent under, and for the purposes set forth in, this Agreement and each other Loan Document. Each Lender authorizes each Agent to act on behalf of such Lender under this Agreement and each other Loan Document and, in the absence of other written instructions from the Required Lenders received from time to time by the Agents (with respect to which each Agent agrees that it will comply, except as otherwise provided in this Section 10.1 or as otherwise advised by counsel), to exercise such powers hereunder and thereunder as are specifically delegated to or required of the Agents by the terms hereof and thereof, together with such powers as may be reasonably incidental thereto. Each Lender hereby indemnifies (which indemnity shall survive any termination of this Agreement) each Agent from and against such Lender's Percentage of any and all liabilities, obligations, losses, damages, claims, costs or expenses of any kind or nature whatsoever which may at any time be imposed on, incurred by, or asserted against, each such Agent in any way relating to or arising out of this Agreement or any other Loan Document (including any such liability, etc. incurred as a result of each Agent's reliance on any information contained in any Quarterly Report or update with respect thereto), including reasonable attorneys' fees, and as to which either Agent is not reimbursed by Micro or the other Obligors; provided, however, that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, claims, costs or expenses which are determined by a court of competent jurisdiction in a final proceeding to have resulted solely from either Agent's gross negligence or willful misconduct. No Agent shall be required to take any action hereunder or under any other Loan Document, or to prosecute or defend any suit in respect of this Agreement or any other Loan Document, unless it is indemnified hereunder to its satisfaction. If any indemnity in favor of either Agent shall be or become, in either Agent's determination, inadequate, such Agent may call for additional indemnification from the Lenders and cease to do the acts indemnified against hereunder until such additional indemnity is given.

SECTION 10.2. Funding Reliance, etc. Unless the Administrative Agent shall have been notified by telephone, confirmed in writing, by any Lender by 5:00 p.m., Eastern time, on the day prior to the making of a Pro-Rata Revolving Loan that such Lender will not make available the amount which would constitute its Percentage of such requested Pro-Rata Revolving Loan on the date specified therefor, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent and, in reliance upon such assumption, make available to Micro a corresponding amount. If and to the extent that such Lender shall not have made such amount available to the Administrative Agent, such Lender and Micro severally agree to repay the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date the Administrative Agent made such amount available to Micro to the date such amount is repaid to the Administrative Agent at an interest rate equal to the Federal Funds Rate for the first day that the Administrative Agent made such amounts available and thereafter at a rate of interest

equal to the interest rate applicable at the time to the requested Pro-Rata Revolving Loan.

SECTION 10.3. Exculpation. Neither Agent nor any of their respective directors, officers, employees or agents shall be liable to any Lender for any action taken or omitted to be taken by it under this Agreement or any other Loan Document, or in connection herewith or therewith, except for its own willful misconduct or gross negligence, nor be responsible for any recitals or warranties herein or therein, nor for the effectiveness, enforceability, validity or due execution of this Agreement or any other Loan Document, nor to make any inquiry respecting the performance by any Obligor of its obligations hereunder or under any other Loan Document. Any such inquiry which may be made by either Agent shall not obligate it to make any further inquiry or to take any action. Each Agent shall be entitled to rely upon advice of counsel concerning legal matters and upon any notice, consent, certificate, statement or writing which each such Agent believes to be genuine and to have been presented by a proper Person.

SECTION 10.4. Successor. Either Agent may resign as such at any time upon at least 30 days' prior notice to Micro and all the Lenders. If either Agent shall at any time resign, the Required Lenders, after consultations with Micro, may appoint another Lender as a successor Administrative Agent or Documentation Agent, as the case may be, whereupon such Lender shall become an Administrative Agent or Documentation Agent hereunder, as the case may be. If no successor Administrative Agent or Documentation Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's or Documentation Agent's giving notice of resignation, then the retiring Administrative Agent or Documentation Agent may, on behalf of the Lenders, after consultations with Micro, appoint a successor Administrative Agent or Documentation Agent, as the case may be, which shall be one of the Lenders or a commercial banking institution organized under the laws of the United States (or any State thereof) or a U.S. branch or agency of a commercial banking institution, and having a combined capital and surplus of at least $500,000,000. Upon the acceptance of any appointment as Administrative Agent or Documentation Agent hereunder, as the case may be, by a successor Administrative Agent or Documentation Agent, as the case may be, such successor Administrative Agent or Documentation Agent shall be entitled to receive from the retiring Administrative Agent or Documentation Agent such documents of transfer and assignment as such successor Administrative Agent or Documentation Agent may reasonably request, and shall thereupon succeed to and become vested with all rights, powers, privileges and duties of the retiring Administrative Agent or Documentation Agent, as the case may be, and the retiring Administrative Agent or Documentation Agent shall be discharged from its duties and obligations under this Agreement. No resignation or removal of either the Administrative Agent or Documentation Agent pursuant to this Section 10.4 shall be effective until the appointment of a successor Administrative Agent or Documentation Agent, as the case may be, has become effective. After any retiring Administrative Agent's or Documentation Agent's resignation hereunder as an Administrative Agent or Documentation Agent, as the case may be, the provisions of:

(a) this ARTICLE X shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Administrative Agent or Documentation Agent under this Agreement; and

(b) Sections 11.3 and 11.4 shall continue to inure to its benefit.

SECTION 10.5. Credit Extensions by NationsBank and Scotiabank. NationsBank and Scotiabank shall each have the same rights and powers with respect to the Credit Extensions made by it or any of its Affiliates in its capacity as a Lender and may exercise the same as if it were not an Agent hereunder. Each of NationsBank, Scotiabank and their respective Affiliates may accept deposits from, lend money to, and generally engage in any kind of business with any Obligor or any Subsidiary of any thereof as if it were not an Agent hereunder.

SECTION 10.6. Credit Decisions. Each Lender acknowledges that it has, independently of the Agents and each other Lender, and based on such Lender's review of the financial information of each Obligor, this Agreement, the other Loan Documents (the terms and provisions of which being satisfactory to such Lender) and such other documents, information and investigations as such Lender has deemed appropriate, made its own credit decision to make available its Commitment and to make available any Non-Rata Credit Extensions. Each Lender also acknowledges that it will, independently of the Agents and each other Lender, and based on such other documents, information and investigations as it shall deem appropriate at any time, continue to make its own credit decisions as to exercising or not exercising from time to time any rights and privileges available to it under this Agreement or any other Loan Document.

SECTION 10.7. Copies, etc. The Administrative Agent shall give prompt notice to each Lender of each notice or request required or permitted to be given to the Administrative Agent by any Obligor pursuant to the terms of this Agreement or any other Loan Document (unless concurrently delivered to the Lenders by such Obligor). The Administrative Agent will distribute to each Lender each document or instrument received for its account, and copies of all other communications received by the Administrative Agent from any Obligor, for distribution to the Lenders by the Administrative Agent in accordance with the terms of this Agreement or any other Loan Document.

SECTION 10.8. Reporting of Non-Rata Credit Extensions. Each Borrower agrees to provide the Administrative Agent with written notice of each Non-Rata Credit Extension concurrently with or promptly after the making of such Non-Rata Credit Extension, which notice shall set forth, among other

things: (a) the date thereof; (b) the principal amount thereof stated in the relevant Available Currency (and, with respect to all Available Currencies other than the Dollar, the corresponding Dollar Amount thereof); (c) the Interest Period applicable thereto; (d) the aggregate Dollar Amount of such Lender's outstanding or undrawn Non-Rata Credit Extensions as of such date; and (e) the identity of the relevant Lender. Each Lender agrees to provide the Administrative Agent with written confirmation within five calendar days following the last day of each calendar month (from the date hereof until the Commitment Termination Date) of the Outstanding Credit Extensions comprised of Non-Rata Credit Extensions made by such Lender as of the end of such calendar month, which confirmation shall set forth, among other things: (a) the date of each such Non-Rata Credit Extension; (b) the principal amount or Stated Amount, as the case may be, of each such Non-Rata Credit Extension stated in the relevant Available Currency (and the corresponding Dollar Amount thereof), and the aggregate Dollar Amount of all such Non-Rata Credit Extensions; (c) the respective Interest Periods applicable thereto; and (d) the Identity of such Lender.

ARTICLE XI

MISCELLANEOUS PROVISIONS

SECTION 11.1. Waivers, Amendments, etc. The provisions of this Agreement and of each other Loan Document may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to by each Borrower and the Required Lenders; provided, however, that no such amendment, modification or waiver which would:

(a) modify any requirement hereunder that any particular action be taken by all the Lenders or by the Required Lenders shall be effective unless consented to by each Lender;

(b) modify this Section 11.1, change the definitions of Percentage or Required Lenders, increase the Total Credit Commitment Amount or the Credit Commitment Amount or Percentage of any Lender, extend the Commitment Termination Date, or, subject to Section 8.2.5, release any Guarantor from any of its payment obligations under the Guaranty entered into by it, shall be made without the consent of each Lender;

(c) extend the due date for, or reduce the amount of, any scheduled repayment or prepayment of principal of or interest on any Pro-Rata Credit Extension or the amount of any fee payable under Section 4.3 shall be made without the consent of each Lender;

(d) affect adversely the interests, rights or obligations of the Administrative Agent in its capacity as Administrative Agent shall be made without the consent of the Administrative Agent; or

(e) affect adversely the interests, rights or obligations of the Documentation Agent in its capacity as the Documentation Agent shall be made without the consent of the Documentation Agent.

No failure or delay on the part of any Lender Party in exercising any power or right under this Agreement or any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude any other or further exercise thereof or the exercise of any other power or right. No notice to or demand on any Obligor in any case shall entitle it to any notice or demand in similar or other circumstances. No waiver or approval by any Lender Party under this Agreement or any other Loan Document shall, except as may be otherwise stated in such waiver or approval, be applicable to subsequent transactions. No waiver or approval hereunder shall require any similar or dissimilar waiver or approval thereafter to be granted hereunder.

SECTION 11.2. Notices. Unless otherwise specified to the contrary, all notices and other communications provided to any party hereto under this Agreement or any other Loan Document shall be in writing or by facsimile and addressed, delivered or transmitted to such party at its address or facsimile number set forth below its signature hereto or at such other address or facsimile number as may be designated by such party in a notice to the other parties. All notices, if mailed and properly addressed with postage prepaid or if properly addressed and sent by prepaid courier service, shall be deemed given when received; all notices if transmitted by facsimile shall be deemed given when transmitted and the appropriate receipt for transmission received by the sender thereof.

SECTION 11.3. Payment of Costs and Expenses. Micro agrees to pay on demand all reasonable expenses (inclusive of value added tax or any other similar tax imposed thereon) of the Agents (including the reasonable fees and out-of-pocket expenses of the single counsel to the Agents and of local counsel, if any, who may be retained by such counsel to the Agents) in connection with the negotiation, preparation, execution and delivery of this Agreement and of each other Loan Document (including schedules, exhibits, and forms of any document or instrument relevant to this Agreement or any other Loan Document), and any amendments, waivers, consents, supplements or other modifications to this Agreement or any other Loan Document as may from time to time hereafter be required, whether or not the transactions contemplated hereby are consummated.

Micro further agrees to pay, and to save the Lender Parties harmless from all liability for, any stamp or other taxes (including, without limitation, any registration duty imposed by Belgian law) which may be payable in connection with the execution, delivery or enforcement of this Agreement or any other Loan Document, and in connection with the making of any Credit

Extensions and the issuing of any Letters of Credit hereunder. Micro also agrees to reimburse each Lender Party upon demand for all out-of-pocket expenses (inclusive of value added tax or any other similar tax imposed thereon and including attorneys' fees and legal expenses (including the actual cost to such Lender Party of its in-house counsel) on a full indemnity basis) incurred by each such Lender Party in connection with (x) the negotiation of any restructuring or "work-out", whether or not consummated, of any Obligations and (y) the enforcement of any Obligations; provided, however, that Micro shall reimburse each Lender Party for the fees and legal expenses of only one counsel for such Lender Party.

SECTION 11.4. Indemnification. In consideration of the execution and delivery of this Agreement by each Lender Party and the extension of the Commitments, the Obligors hereby jointly and severally indemnify, exonerate and hold each Lender Party and each of their respective officers, directors, employees and agents (collectively, the "Indemnified Parties") free and harmless from and against any and all actions, causes of action, suits, losses, costs, liabilities and damages, and expenses incurred in connection therewith (irrespective of whether any such Indemnified Party is a party to the action for which indemnification hereunder is sought), including reasonable attorneys' fees and disbursements, which shall include the actual cost to such Indemnified Party of its in-house counsel but shall not include the fees and expenses of more than one counsel to such Indemnified Party (collectively, the "Indemnified Liabilities"), incurred by the Indemnified Parties or any of them as a result of, or arising out of, or relating to:

(a) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of any Credit Extension;

(b) the entering into and performance of this Agreement and any other Loan Document by any of the Indemnified Parties (excluding, however, any action successfully brought by or on behalf of Micro or any other Borrower with respect to any determination by any Lender not to fund any Credit Extension or not to comply with Section 11.15 of this Agreement or any action by the Required Lenders to terminate or reduce the Commitments or accelerate the Loans in violation of the terms of this Agreement);

(c) any investigation, litigation or proceeding related to any acquisition or proposed acquisition by any Obligor, or any of their respective Subsidiaries of all or any portion of the stock or assets of any Person, whether or not any Indemnified Party is party thereto;

(d) any investigation, litigation or proceeding related to any environmental cleanup, audit, compliance or other matter relating to the protection of the environment or the Release by any Obligor, or any of their respective Subsidiaries of any Hazardous Material; or

(e) the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or releases from, any real property owned or operated by any Obligor, or any of their respective Subsidiaries of any Hazardous Material (including any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Law), regardless of whether caused by, or within the control of such Person;

except for any such Indemnified Liabilities arising for the account of a particular Indemnified Party by reason of the relevant Indemnified Party's gross negligence or willful misconduct. If and to the extent that the foregoing undertaking may be unenforceable for any reason, the Obligors hereby jointly and severally agree to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law.

SECTION 11.5. Survival. The obligations of Micro and each other Obligor under Sections 5.3, 5.4, 5.5, 5.7, 11.3 and 11.4, and the obligations of the Lenders under Sections 10.1 and 11.15, shall in each case survive any termination of this Agreement, the payment in full of all Obligations and the termination of the Commitments. The representations and warranties made by Micro and each other Obligor in this Agreement and in each other Loan Document shall survive the execution and delivery of this Agreement and each such other Loan Document.

SECTION 11.6. Severability. Any provision of this Agreement or any other Loan Document which is prohibited or unenforceable in any jurisdiction shall, as to such provision and such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or such Loan Document or affecting the validity or enforceability of such provision in any other jurisdictions.

SECTION 11.7. Headings. The various headings of this Agreement and of each other Loan Document are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or such other Loan Document or any provisions hereof or thereof.

SECTION 11.8. Execution in Counterparts, Effectiveness; Entire Agreement. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. This Agreement shall become effective on the date when (a) counterparts hereof executed on behalf of Micro, each Supplemental Borrower, the Agents and each Lender (or notice thereof satisfactory to the Administrative Agent) shall have been received by the Administrative Agent and notice thereof shall have been given by the Administrative Agent to each Borrower and each Lender and (b) the Administrative Agent shall have received evidence reasonably satisfactory to it that the mergers described in clause (ii) of

Section 6.1.12 have been consummated; provided, however, that no Lender shall have any obligation to make the initial Credit Extension until the date (the "Effective Date") that the applicable conditions set forth in Sections 6.1 and 6.2 have been satisfied as provided herein. This Agreement and the other Loan Documents constitute the entire understanding among the parties hereto with respect to the subject matter hereof and supersede any prior agreements, written or oral, with respect thereto.

SECTION 11.9. Governing Law; Submission to Jurisdiction. THIS AGREEMENT AND EACH OTHER LOAN DOCUMENT (OTHER THAN THE COORDINATION CENTER GUARANTY, MICRO CANADA GUARANTY (MICRO) AND MICRO CANADA GUARANTY (COORDINATION CENTER/MICRO SINGAPORE)) SHALL EACH BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (OTHER THAN THE COORDINATION CENTER GUARANTY, MICRO CANADA GUARANTY (MICRO) AND MICRO CANADA GUARANTY (COORDINATION CENTER/MICRO SINGAPORE)), OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS (OTHER THAN WITH RESPECT TO THE COORDINATION CENTER GUARANTY, MICRO CANADA GUARANTY (MICRO) OR MICRO CANADA GUARANTY (COORDINATION CENTER/MICRO SINGAPORE)) OF THE AGENTS, THE LENDERS, MICRO OR ANY OTHER OBLIGOR SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTS OF THE STATE OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK. MICRO AND EACH OTHER OBLIGOR HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND OF THE UNITED STATED DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET FORTH ABOVE, AND IRREVOCABLY CONSENTS TO THE SERVICE OF ANY AND ALL PROCESS IN SUCH LITIGATION BY THE MAILING OF COPIES OF SUCH PROCESS TO SUCH OBLIGOR AT ITS ADDRESS FOR NOTICES SPECIFIED PURSUANT TO SECTION 11.2 HEREOF, IN EACH SUCH CASE MARKED FOR THE ATTENTION OF GENERAL COUNSEL, INGRAM MICRO INC., OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF NEW YORK IN A MANNER PERMITTED BY THE LAWS OF EACH SUCH STATE. MICRO AND EACH OTHER OBLIGOR HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION WHICH IT MAY HAVE OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT MICRO OR ANY OTHER OBLIGOR HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, EACH SUCH OBLIGOR HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (OTHER THAN THE COORDINATION CENTER GUARANTY, MICRO CANADA GUARANTY (MICRO) AND MICRO CANADA GUARANTY (COORDINATION CENTER/MICRO SINGAPORE)).

SECTION 11.10. Successors and Assigns. This Agreement and each other Loan Document shall be binding upon and shall inure to the benefit of the parties hereto and thereto and their respective successors and assigns; provided, however, that:

(a) no Obligor may assign or transfer its rights or obligations hereunder or under any other Loan Document without the prior written consent of all the Lender Parties;

(b) the rights of sale, assignment and transfer of the Lenders are subject to Section 11.11; and

(c) the rights of the Administrative Agent and the Documentation Agent with respect to resignation or removal are subject to Section 10.4.

SECTION 11.11. Assignments and Transfers of Interests. No Lender may assign or sell participation interests in its Commitment or any of its Credit Extensions or any portion thereof to any Persons except in accordance with this Section 11.11.

SECTION 11.11.1. Assignments. Any Lender may at any time assign or transfer to one or more Eligible Assignees, to any of its Affiliates, to any other Lender or to any Federal Reserve Bank (each Person described in either of the foregoing clauses as being the Person to whom such assignment or transfer is available to be made, being hereinafter referred to as a "Transferee Lender") all or any part of such Lender's total Credit Extensions and Commitment (which assignment and delegation shall be of a constant, and not a varying, percentage of all the assigning Lender's Credit Extensions and Commitment) in a minimum aggregate amount of $10,000,000 (or if less, the entire amount of such Lender's total Credit Extensions and Commitment); provided, however, that, each Obligor and the Agents shall be entitled to continue to deal solely and directly with such Lender in connection with the interests so assigned and delegated to a Transferee Lender until:

(a) notice of such assignment or transfer, together with payment instructions, addresses and related information with respect to such Transferee Lender, shall have been given to Micro and each Agent by such Lender and such Transferee Lender;

(b) the Transferee Lender shall have executed and delivered to Micro and each Agent, a Lender Assignment Agreement; and

(c) the processing fee described below shall have been paid.

From and after the effective date of such Lender Assignment Agreement, (x) the Transferee Lender thereunder shall be deemed automatically to have become a party hereto and to the extent that rights and obligations hereunder have been assigned and delegated to such Transferee Lender in connection with such

Lender Assignment Agreement, shall have the rights and obligations of a Lender hereunder and under the other Loan Documents, and (y) the assignor Lender, to the extent that rights and obligations hereunder have been assigned and delegated by it in connection with such Lender Assignment Agreement, shall be released from its obligations hereunder and under the other Loan Documents. Within five Business Days after its receipt pursuant to clauses (a) and (b) above of notice of such assignment and transfer and an executed Lender Assignment Agreement, Micro shall execute and deliver to the Administrative Agent (for delivery to the relevant Transferee Lender) new Notes evidencing such Transferee Lender's assigned Credit Extensions and Commitments and, if the assignor Lender has retained Credit Extensions and Commitments hereunder, replacement Notes in the principal amount of the Credit Extensions and Commitments retained by the assignor Lender hereunder (such Notes to be in exchange for, but not in payment of, the Notes then held by such assignor Lender). Each such Note shall be dated the date of the respective predecessor Note. The assignor Lender shall mark each predecessor Note "exchanged" and deliver each of them to Micro. Accrued interest and accrued fees shall be paid at the same time or times provided in each predecessor Note and in this Agreement. The Transferee Lender shall pay a processing fee in the amount of $3,500 to the Administrative Agent upon delivery of its Lender Assignment Agreement to the Administrative Agent. Any attempted assignment and delegation not made in accordance with this Section 11.11.1 shall be null and void.

SECTION 11.11.2. Participations. Any Lender may at any time sell to one or more commercial banks or other Persons (each of such commercial banks and other Persons being herein called a "Participant") participating interests in any of its Credit Extensions and Commitments hereunder; provided, however, that

(a) no participation contemplated in this Section 11.11.2 shall relieve such Lender from its Commitments or its other obligations hereunder or under any other Loan Document;

(b) such Lender shall remain solely responsible for the performance of its Commitments and such other obligations;

(c) each Borrower and each other Obligor and the Agents shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and each other Loan Document;

(d) no Participant, unless such Participant is an Affiliate of such Lender or is itself a Lender, shall be entitled to require such Lender to take or refrain from taking any action hereunder or under any other Loan Document, except that such Lender may agree with any Participant that such Lender will not, without such Participant's consent, take any actions of the type described in clause (a), (b) or clause (c) of Section 11.1;

(e) no Borrower shall be required to pay any amount under this Agreement that is greater than the amount which it would have been required to pay had no participating interest been sold; and

(f) the aggregate amount of participating interests sold by any Lender in its Credit Extensions comprised of Bid Rate Loans shall not exceed, at any time, an amount equal to such Lender's Commitment at such time multiplied by three.

The Borrower acknowledges and agrees that each Participant, for purposes of Sections 5.3, 5.4, 5.5, 5.7, 5.9, 5.10, 11.3 and 11.4, shall be considered a Lender.

SECTION 11.12. Other Transactions. Nothing contained herein shall preclude any Lender Party from engaging in any transaction, in addition to those contemplated by this Agreement or any other Loan Document, with any Obligor or any of its Affiliates in which such Obligor or such Affiliate is not restricted hereby from engaging with any other Person.

SECTION 11.13. Further Assurances. Each Obligor agrees to do such further acts and things and to execute and deliver to each Lender Party such additional assignments, agreements, powers and instruments, as such Lender Party may reasonably require or deem advisable to carry into effect the purposes of this Agreement or any other Loan Document or to better assure and confirm unto such Lender Party its rights, powers and remedies hereunder and thereunder.

SECTION 11.14. Waiver of Jury Trial. THE AGENTS, THE LENDERS, MICRO AND EACH OTHER OBLIGOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF THE LENDER PARTIES OR MICRO OR ANY OTHER OBLIGOR. MICRO AND EACH OTHER OBLIGOR ACKNOWLEDGE AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION (AND EACH OTHER PROVISION OF THIS AGREEMENT AND EACH OTHER LOAN DOCUMENT TO WHICH IT IS A PARTY) AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER PARTIES ENTERING INTO THIS AGREEMENT AND EACH SUCH OTHER LOAN DOCUMENT TO WHICH IT IS A PARTY.

SECTION 11.15. Confidentiality. Each of the Lender Parties hereby severally agrees with each Borrower that it will keep confidential all information delivered to such Lender Party by or on behalf of each Borrower or any of their respective Subsidiaries which information is known by such Lender Party to be proprietary in nature, concerns the terms and conditions of this Agreement or any other Loan Document, or is clearly marked or

labeled or otherwise adequately identified when received by such Lender Party as being confidential information (all such information, collectively for purposes of this Section, "confidential information"); provided, that, each Lender Party shall be permitted to deliver or disclose "confidential information": (a) to its directors, officers, employees and affiliates; (b) to authorized agents, attorneys, auditors and other professional advisors retained by such Lender Party that have been apprised of such Lender Party's obligation under this Section 11.15 and have agreed to hold confidential the foregoing information substantially in accordance with the terms of this Section; (c) in connection with the prospective assignment or transfer of all or any part of, or the sale of a participating interest in, such Lender Party's Credit Extensions and Commitment, to any prospective Transferee Lender or Participant that has been apprised of such Lender Party's obligation under this Section 11.15 and has agreed to hold confidential the foregoing information in accordance with the terms of this Section; (d) to any federal or state regulatory authority having jurisdiction over such Lender Party; (e) or to any other Person to which such delivery or disclosure may be necessary or appropriate (i) to effect compliance with any law, rule, regulation or order applicable to such Lender Party, (ii) in response to any subpoena or other legal process (provided, that the relevant Borrower shall be given notice of any such subpoena or other legal process as soon as possible and in any event prior to production (unless provision of any such notice would result in a violation of any such subpoena or other legal process), and the Lender Party receiving such subpoena or other legal process shall cooperate with such Borrower, at such Borrower's expense, in seeking a protective order to prevent or limit such disclosure), or (iii) in connection with any litigation to which such Lender Party is a party.

For purposes hereof, the term "confidential information" does not include any information that: (A) was publicly known or otherwise known by any Lender Party on a non-confidential basis from a source other than the relevant Borrower prior to the time such information is delivered or disclosed to such Lender Party by the relevant Borrower; (B) subsequently becomes publicly known through no act or omission by any Lender Party or any Person acting on behalf of any Lender Party; (C) otherwise becomes known to a Lender Party other than through disclosure by the relevant Borrower (or any Subsidiary thereof) or through someone subject, to such Lender Party's knowledge, to a duty of confidentiality to the relevant Borrower; or (D) constitutes financial statements that are otherwise publicly available.

SECTION 11.16. Release of Subsidiary Guarantors and Supplemental Borrowers.

(a) Upon receipt by the Agents of (i) a certificate from a senior officer of Micro certifying as of the date thereof that, after the consummation of the transaction or series of transactions described in such certificate (which transactions, individually and in the aggregate, shall be certified to be in compliance with the terms and conditions of this Agreement, including the covenants contained in Sections 8.2.5, 8.2.6 and 8.2.9), the Guarantor identified in such certificate is no longer a Subsidiary of Micro, and (ii) such additional information, approvals, opinions, documents or instruments relating to the matters addressed in such certificate as the Agents shall reasonably request, such Guarantor's Guaranty shall automatically terminate so long as there shall exist no Default immediately prior to, as a result of, or after giving effect to, such termination. In all events, all other Guaranties shall remain in full force and effect. Each Lender Party shall, at Micro's expense, execute such documents as Micro shall reasonably request to evidence such termination.

(b) Upon receipt by the Agents of (i) a certificate from a senior officer of Micro certifying as of the date thereof that, after the consummation of the transaction or series of transactions described in such certificate (which transactions, individually and in the aggregate, shall be certified to be in compliance with the terms and conditions of this Agreement, including the covenants contained in Sections 8.2.5, 8.2.6 and 8.2.9), the Supplemental Borrower identified in such certificate is no longer a Subsidiary of Micro, (ii) such additional information, approvals, opinions, documents or instruments relating to the matters addressed in such certificate as the Agents shall reasonably request, and (iii) payment in full of any Outstanding Credit Extensions made by any Lender in favor of such Supplemental Borrower and satisfaction of any Obligations of such Supplemental Borrower under the Loan Documents, such Supplemental Borrower shall automatically cease to be a party to this Agreement so long as there shall exist no Default immediately prior to, as a result of, or after giving effect to, such cessation. In all events, this Agreement shall remain in full force and effect as among the remaining parties hereto. Each Lender Party shall, at Micro's expense, execute such documents as Micro shall reasonably request to evidence such cessation.

SECTION 11.17. Collateral. Each of the Lenders represents to the Administrative Agent and each of the other Lenders that it in good faith is not relying upon any Margin Stock as collateral in the extension or maintenance of the credit provided for in this Agreement.

[Signatures Commence on Next Page.]

EXHIBIT 10.13

AMENDED AND RESTATED REORGANIZATION AGREEMENT

among

INGRAM INDUSTRIES INC.,

INGRAM MICRO INC.,

and

INGRAM ENTERTAINMENT INC.

TABLE OF CONTENTS(1)

(1) The Table of Contents is not a part of this Agreement.

ARTICLE 7

MISCELLANEOUS

EXHIBITS

AMENDED AND RESTATED REORGANIZATION AGREEMENT

AGREEMENT dated as of September 4, 1996, as amended and restated as of October 17, 1996, among Ingram Industries Inc., a Tennessee corporation ("Industries"), Ingram Micro Inc., a Delaware corporation ("Micro"), and Ingram Entertainment Inc., a Tennessee corporation ("Entertainment" and, together with Industries and Micro, the "Ingram Companies").

The parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

SECTION 1.1. Definitions. (a) The following terms, as used herein, have the following meanings:

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such other Person; provided that for purposes of this Agreement no Ingram Company shall be deemed an Affiliate of any other Ingram Company. For purposes of this definition, the term "control", when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise, and the terms "controlling", "controlled by" and "under common control with" have meanings correlative to the foregoing.

"Ancillary Agreements" means (i) the Master Services Agreement substantially in the form attached as Exhibit I hereto, (ii) the Risk Management Agreement substantially in the form attached as Exhibit II hereto, (iii) the Data Center Services Agreement substantially in the form attached as Exhibit III hereto, (iv) the Tax Sharing and Tax Services Agreement substantially in the form attached as Exhibit IV hereto and (v) the Employee Benefits Transfer and Assumption Agreement substantially in the form attached as Exhibit V hereto. [Names of these Agreements will be changed to reflect amendments and restatements thereof, if necessary.]

"Carrying Cost" means, with respect to any investment, the carrying cost of such investment from the date specified in Article 3 with respect to such investment to the date of disposition of such investment, calculated by Industries on the basis of the average borrowing rate of Industries during such period as published from time to time by the Industries treasury department as applied to the amount of Industries' invested capital from time to time with respect to such investment.

"Covered Person" means (i) with respect to Micro, each Subsidiary of Micro, (ii) with respect to Entertainment, each Subsidiary of Entertainment and (iii) with respect to Industries, each business operating unit of Industries and each Subsidiary of Industries (other than Micro, Entertainment and their respective Subsidiaries); provided that "Covered Person" shall in no event include Cactus, Magnolia or IMS.

"Effective Time" means the effective time of the First Closing as defined in the Exchange Agreement.

"Exchange Agreement" means the Amended and Restated Exchange Agreement dated as of September 4, 1996, as amended and restated as of October 17, 1996, among each Ingram Company and the Persons listed on the signature pages thereof.

"Material Adverse Effect" means, with respect to any Ingram Company, a material adverse effect on the business, assets, condition (financial or otherwise) or result of operations of the business of such Ingram Company and its Subsidiaries taken as a whole.

"Person" means an individual, corporation, partnership,

association, trust, limited liability company or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Second Closing" shall have the meaning set forth in the Exchange Agreement.

"Subsidiary" means, with respect to Industries, Entertainment or Micro, any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are directly or indirectly owned by such Person immediately after the Closing.

(b) Each of the following terms is defined in the Section set forth opposite such term:

Term	Section
Cactus	3.2
Cooper Agreement	3.2
Currently Pledged Stock	4.4
IMS	3.1
Indemnified Party	5.3
Indemnifying Party	5.3
IOBC	3.1
IPSI	3.2
Loss	5.2
Magnolia	3.1

ARTICLE 2

REPRESENTATIONS AND WARRANTIES OF THE PARTIES

Each party represents and warrants to each other party as of September 4, 1996, as of October 17, 1996 and as of the Effective Time that:

SECTION 2.1. Corporate Existence and Power. Such party is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and has all corporate powers and all governmental licenses, authorizations, permits, consents and approvals required to carry on its business as now conducted, except where the failure to have such governmental licenses, authorizations, permits, consents and approvals does not have a Material Adverse Effect or would not prevent such party from performing any of its obligations hereunder or under the Ancillary Agreements.

SECTION 2.2. Corporate Authorization. The execution, delivery and performance by such party of this Agreement and each of the Ancillary Agreements to which such party is a party are within its corporate powers and have been duly authorized by all necessary corporate and stockholder action on its part. This Agreement constitutes, and when executed and delivered, each of the Ancillary Agreements to which such party is a party will constitute, a valid and binding agreement of such party.

SECTION 2.3. Governmental Authorization. The execution, delivery and performance by such party of this Agreement and each of the Ancillary Agreements to which such party is a party require no action by or in respect of, or filing with, any governmental body, agency or official other than (i) compliance with any applicable requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder and (ii) such other matters where the failure to take such action or make such filing would not have a Material Adverse Effect or prevent such party from performing any of its obligations hereunder or the Ancillary Agreements.

SECTION 2.4. Non-Contravention. The execution, delivery and performance by such party of this Agreement and each of the Ancillary Agreements to which such party is a party do not (i) violate the certificate of incorporation or bylaws of such party, (ii) assuming compliance with the matters referred to in Section 2.3, violate any applicable law, rule, regulation, judgment, injunction, order or decree, (iii) constitute a default under or give rise to any right of termination, cancellation or acceleration of any right or obligation of any party or to a loss of any benefit relating to the business of such party to which any party is entitled under any permit or license or any provision of any agreement, contract or other instrument binding upon any party or by which any of the assets of such party is or may be bound or (iv) result in the creation or imposition of any lien on any asset of such party, except, in the case of clauses (ii) through (iv), as would not, individually or in the aggregate, have a Material Adverse Effect or prevent such party from performing in any material respect any of its obligations hereunder or under the Ancillary Agreements.

ARTICLE 3

CERTAIN LIABILITIES; CERTAIN ASSETS

SECTION 3.1. Assumed Liabilities. (a) Upon the terms and subject to the conditions of this Agreement and except as otherwise provided in the Ancillary Agreements, each party agrees, at the Effective Time, to assume, or remain liable for, as the case may be, and shall thereafter pay, perform and discharge, the following liabilities and obligations:

(i) liabilities and obligations incurred by such party (in the case of Micro and Entertainment) and its Covered Persons, or by any Covered Person of such party (in the case of Industries), with respect to periods ending on or prior to the Effective Time, other than liabilities and obligations arising directly or indirectly as a result of (1) any intentional act which is tortious or (2) any illegal act, in either case committed by (x) a corporate officer of Industries (except for actions that are believed by such person to be in furtherance of his duties as an officer or employee of Micro, Entertainment, any of their respective Covered Persons or a Covered Person of Industries), (y) any other employee of Industries whose responsibilities are not primarily associated with Micro, Entertainment, any of their respective Covered Persons or a Covered Person of Industries, or (z) any other employee or agent of another party;

(ii) liabilities and obligations incurred by any other party (if such other party is Micro or Entertainment) and its Covered Persons, or by any Covered Person of any other party (if such other party is Industries), with respect to periods ending on or prior to the Effective Time arising directly or indirectly as a result of (x) any intentional act which is tortious or (y) any illegal act, in either case committed by an employee or agent of such party or its Covered Persons (in the case of Micro or Entertainment) or by a Covered Person of such party (in the case of Industries);

(iii) in the case of Industries and subject to Section 3.1(b)(ii), general corporate level liabilities and obligations recorded under Industries' internal accounting system as "home office" liabilities up to an aggregate amount of $100,000 incurred by Industries with respect to periods ending on or prior to the Effective Time, to the extent that such liabilities and obligations (x) are not attributable to Micro, Entertainment, any of their respective Covered Persons or any Covered Person of Industries, (y) have not been reserved for on the December 31, 1995 balance sheet of any Ingram Company and (z) are extraordinary and non-recurring in nature and arise other than in the ordinary course of business;

(iv) in the case of Micro, in the event that the net proceeds from a disposition by Industries of its investment in common stock of Stream, Inc. are less than $500,580, liabilities and obligations in an amount equal to the sum of (x) such shortfall and (y) the Carrying Cost of such investment from and after December 31, 1995.

(v) in the case of Industries, (x) the first $4,500,000 of liabilities and obligations payable in connection with the settlement following December 31, 1995 of Bluewater Insurance, Ltd. claims arising under the treaties listed on Schedule 3.1(a)(v) and (y) liabilities and obligations payable in connection with the settlement following December 31, 1995 of such Bluewater Insurance, Ltd. claims in excess of the second $4,500,000 of such liabilities and obligations; and

(vi) liabilities and obligations incurred by such party and its Covered Persons with respect to periods beginning after the Effective Time.

(b) Upon the terms and subject to the conditions of this Agreement, each of Industries, Micro and Entertainment agrees, at the Effective Time, to assume (or retain, as the case may be) 23.01%, 72.84% and 4.15%, respectively, of the following liabilities and obligations:

(i) liabilities and obligations incurred by any party or any of its Covered Persons with respect to periods ending on or prior to the Effective Time arising directly or indirectly as a result of (x) any intentional act which is tortious or (y) any illegal act, in either case committed by a corporate officer of Industries (except for actions that are believed by such person to be in furtherance of his duties as an officer or employee of Micro, Entertainment, any of their respective Covered Persons or a Covered Person of Industries), or any other employee of Industries whose responsibilities are not primarily associated with Micro, Entertainment, any of their respective Covered Persons or a Covered Person of Industries;

(ii) general corporate level liabilities and obligations recorded under Industries' internal accounting system as "home office" liabilities in excess of an aggregate amount of $100,000 incurred by Industries with respect to periods ending on or prior to the Effective Time to the extent that such liabilities and obligations (x) are not attributable to Micro, Entertainment, any of their respective Covered Persons or any Covered Person of Industries, (y) have not been reserved for on the December 31, 1995 balance sheet of any Ingram Company and (z) are extraordinary and non-recurring in nature and arise other than in the ordinary course of business (in which case, all of such liabilities and obligations in excess of $1.00 shall be assumed or retained pursuant to this Section 3.1(b)(ii) and Industries shall be reimbursed for any excess amounts paid in respect of such liabilities and obligations pursuant to Section 3.1(a)(iii));

(iii) (x) liabilities and obligations, to the extent accrued on December 31, 1995 (and not otherwise included in amounts to be allocated to the parties hereto pursuant to the provisions of Section 6.5 or Section 7.12 of the Exchange

Agreement), incurred by Industries under the Ingram Industries Inc. Supplemental Executive Retirement Plan and the Ingram Supplemental Thrift Plan in respect of E. Bronson Ingram, Neil N. Diehl, Linwood A. Lacy, Jr., John M. Donnelly, David F. Sampsell and Philip M. Pfeffer and (y) liabilities and obligations incurred by Industries in an amount equal to (A) the aggregate purchase price paid by Industries for up to 135,000 shares of common stock of Micro purchased by Industries in the initial public offering of Micro common stock, plus (B) if Industries does not purchase 135,000 shares of Micro common stock in such initial public offering, the product of (1) 135,000, less the number of shares actually purchased in such initial public offering, and (2) the price of one share of Micro common stock sold in such initial public offering;

(iv) liabilities and obligations incurred by Industries in an amount equal to the loss recognized in connection with the disposition and winding up of the business by Industries of Ingram Merchandising Services Inc. ("IMS") to the extent that such loss causes the equity of IMS as reported on a stand alone basis to be less than $8,956,000;

(v) liabilities and obligations incurred by Industries in an amount equal to the sum of (x) the loss recognized in connection with the disposition by Industries of its partnership interest in Magnolia Coal Terminal ("Magnolia") or a disposition by Magnolia of all or substantially all of its assets (which loss shall be calculated after taking into account (A) expenses incurred, and indemnification payments received, after December 31, 1995 in connection with environmental matters relating to such investment, (B) distributions received after December 31, 1995 in respect of such investment and (C) contributions made after December 31, 1995 with respect to such investment) and (y) the Carrying Cost of such investment from and after December 31, 1995;

(vi) liabilities and obligations up to an aggregate amount of $4,500,000 payable in connection with the settlement following December 31, 1995 of Bluewater Insurance, Ltd. claims arising under the treaties set forth on Schedule 3.1(a)(v), in excess of the first $4,500,000 of such liabilities and obligations; and

(vii) liabilities and obligations up to an aggregate amount of $2,500,000 incurred by Industries or Ingram Ohio Barge Co. ("IOBC") pursuant to the guarantees by Industries and IOBC of the obligations of IOBC under the 1974 charter agreement with Mellon Bank, as Owner Trustee, and the 1975 charter agreement with Fleet National Bank of Connecticut (formerly U.S. Trust), as such guarantees may be amended, modified or supplemented from time to time.

[(c) Notwithstanding anything herein to the contrary, each party hereto agrees that, following the Effective Time and prior to the Second Closing, Industries and Entertainment will be liable on a joint and several basis for the obligations of Industries and Entertainment under Section 3.1(a) and 3.1(b).]

(d) Without limiting the generality of the last sentence of Section 7.6, nothing in this Agreement shall be deemed to give rise to, or accelerate the performance of, any obligation of any party owing to a Person other than a party to this Agreement.

SECTION 3.2. Certain Contingent Assets. Upon the terms and subject to the conditions of this Agreement, the parties hereto agree that each of the following assets shall be allocated 23.01% to Industries, 72.84% to Micro and 4.15% to Entertainment:

(i) the amount by which the gain recognized in connection with the disposition by Industries of its partnership interest in Magnolia or a disposition by Magnolia of all or substantially all of its assets (which gain shall be calculated after taking into account (x) expenses incurred, and indemnification payments received, after December 31, 1995 in connection with environmental matters relating to such investment, (y) distributions received after December 31, 1995 in connection with such investment and (z) contributions made after December 31, 1995 with respect to its investment in Magnolia) exceeds the Carrying Cost of such investment from and after December 31, 1995;

(ii) the amount by which the proceeds recognized by Industries in connection with the disposition by Industries of its investment in common stock of Stream, Inc. as of December 31, 1995 exceed the sum of (x) $500,580 plus (y) the Carrying Cost of such investment from and after December 31, 1995; and

(iii) the amount of net cash flow distributed to Industries resulting from the sale and liquidation of the ownership interest of Ingram Petroleum Service Inc. ("IPSI") in Ingram Cactus Company ("Cactus") (net of applicable income taxes and after liquidation of assets and liabilities of IPSI inclusive of the cost of liquidating the Cactus subsidiaries), minus the book value (net equity of IPSI calculated in accordance with generally accepted accounting principles at December 31, 1995), minus the Carrying Cost of Industries' equity investment in IPSI from and after December 31, 1995. It is understood and agreed by the parties that (1) an initial allocation of the net amount referred to in this clause (iii) shall be made among the parties 30 days after final determination of the working capital adjustment as

provided for in Section 1.11 (a) of the Purchase Agreement (the "Cooper Agreement") with Cooper Cameron dated March 28, 1996, which shall provide for Cactus' remaining unliquidated liabilities and (2) a final allocation among the parties shall be made at such time thereafter as all significant liabilities have been resolved or the parties have mutually agreed on final provisions for all significant unresolved liabilities; provided that the parties shall use all reasonable efforts to cause such liabilities to be resolved no later than 24 months after consummation of the transactions contemplated by the Cooper Agreement.

SECTION 3.3. Certain Adjustments.

(a) Notwithstanding anything herein to the contrary, the parties agree that, in consideration of distributions to Industries previously made by Micro and Entertainment, no amounts shall be allocated to, and no liabilities or obligations shall be assumed or borne by, Micro or Entertainment pursuant to Section 6.5(a) or Section 7.12 of the Exchange Agreement or pursuant to Article 3 of this Agreement, until the aggregate of such amounts, costs, expenses, liabilities and obligations shall exceed $20,778,000, in the case of Micro, or $1,160,000, in the case of Entertainment, in which event such allocation or assumption shall be made only to the extent of such excess. To the extent that the aggregate of such costs, expenses, liabilities and obligations is less than $20,778,000 in the case of Micro, or $1,160,000 in the case of Entertainment, Industries shall make a payment in the amount of such difference to Micro or Entertainment, as the case may be.

(b) Notwithstanding anything herein to the contrary, the amount of any gain or loss to be allocated among the Ingram Companies pursuant to this Article 3 shall be determined after taking into account the actual tax consequences of the recognition of such gain or loss to the party recognizing such gain or loss (which consequences shall include, in the case of any such gain, the amount of any tax imposed thereon and, in the case of any such loss, any deduction to which such party becomes entitled as a result thereof).

ARTICLE 4

GENERAL COVENANTS

Each party hereto agrees that:

SECTION 4.1. Conduct of the Business. From September 4, 1996 until the Second Closing (or, with respect to Micro, until the Effective Time), such party shall conduct its business in the ordinary course consistent with past practice and the published policies and procedures of the Ingram Companies and use its best efforts to preserve intact the business organizations and relationships with third parties and keep available the services of the present employees of its business. Without limiting the generality of the foregoing, from September 4, 1996 until the Second Closing (or, with respect to Micro, until the Effective Time) and except in connection with the transactions contemplated hereby or by the Ancillary Agreements (or, with respect to actions taken prior to the Effective Time, as otherwise approved by the board of directors of Industries), such party will not:

(a) enter into any lease, contract, agreement, commitment, arrangement or transaction, other than in the ordinary course of business consistent with past practice;

(b) sell, lease, license or otherwise dispose of any assets except (i) pursuant to existing contracts or commitments or (ii) in the ordinary course of business consistent with past practice;

(c) modify, amend, cancel, terminate, forfeit, assign or encumber in any material manner, other than in the ordinary course of business consistent with past practice, any existing material franchise, license, permit, consent, authority, operating right, lease, contract, agreement, commitment or arrangement;

(d) incur, assume or guarantee any indebtedness for borrowed money other than in the ordinary course of business consistent with past practice;

(e) declare, set aside or pay any dividend or other distribution with respect to any shares of capital stock, or issue, repurchase, redeem or otherwise acquire any outstanding shares of capital stock or other ownership interests, other than in the ordinary course of business consistent with past practice;

(f) amend any material term of any outstanding security;

(g) create or assume any lien on any material asset other than in the ordinary course of business consistent with past practice;

(h) make any loan, advance or capital contribution to or investment in any Person other than loans, advances or capital contributions to or investments in wholly-owned subsidiaries or employees or as otherwise made in the ordinary course of business consistent with past practice;

(i) (A) grant any severance or termination pay to any director or officer, (B) enter into any individual employment, deferred compensation or other similar agreement (or any amendment to any such existing agreement) with any director, officer or employee, (C) change benefits payable under existing severance or termination pay policies or employment agreements or (D) change compensation, bonus or other benefits

payable to directors, officers or employees, other than, in the case of each of clauses (A) through (D) above, in the ordinary course of business consistent with past practice; or

(j) agree or commit to do any of the foregoing.

SECTION 4.2. Access; Confidentiality. (a) Each party will, at and after the Effective Time, afford to each other party and its agents reasonable access to its properties, books, records, employees and auditors to the extent necessary to permit such other party to determine any matter relating to its rights and obligations hereunder or to any period ending at or before the Effective Time. Each of Industries and Entertainment will, at and after the Second Closing, afford to the other and its agents reasonable access to its properties, books, records, employees and auditors to the extent necessary to permit such other party to determine any matter relating to its rights and obligations hereunder or to any period ending at or before the Second Closing.

(b) After the Effective Time, each party will hold, and will use its best efforts to cause its respective officers, directors, employees, accountants, counsel, consultants, advisors, agents and Affiliates to hold, in confidence, unless compelled to disclose by judicial or administrative process or by other requirements of law, all confidential documents and information concerning the business of the other parties, except (i) to the extent that such information can be shown to have been (A) in the public domain through no fault of such party or (B) later lawfully acquired by such party on a non-confidential basis or (ii) to the extent that such documents and information are required to be furnished to the lenders of such party in connection with guarantees of indebtedness owing to such lenders that are furnished by such other parties. The obligation of such party and its Affiliates to hold any such information in confidence shall be satisfied if they exercise the same care with respect to such information as they would take to preserve the confidentiality of their own similar information.

SECTION 4.3. Best Efforts; Further Assurances. Subject to the terms and conditions of this Agreement, the parties hereto will use their best efforts (but without the payment of money) to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under applicable laws and regulations to consummate the transactions contemplated by this Agreement and the Ancillary Agreements. Each party agrees to execute and deliver such other documents, certificates, agreements and other writings and to take such other actions as may be reasonably necessary or desirable in order to consummate or implement expeditiously the transactions contemplated by this Agreement and the Ancillary Agreements.

SECTION 4.4. Loans; Repurchase Agreements. (a) Loans that have been made by Industries to certain employees of Micro and Entertainment shall be transferred by Industries as of the Effective Time to Micro (with respect to employees of Micro) and to Entertainment (with respect to employees of Entertainment), in each case in consideration for the principal balance (plus accrued interest) of each such loan. Loans that have been made after the Effective Time by Industries to certain employees of Entertainment shall be transferred by Industries as of the Second Closing to Entertainment, in consideration for the principal balance (plus accrued interest) of each such loan.

(b) At or prior to the Effective Time, Micro shall enter into bank repurchase agreements effective as of the Effective Time with respect to the Micro securities to be received pursuant to the Exchange Agreement in exchange for shares of Industries Common Stock (the "Currently Pledged Stock") currently pledged as collateral for loans made by First American National Bank, NationsBank, N.A. or NationsBank of Tennessee, N.A. to certain stockholders of Industries. At or prior to the Second Closing, Entertainment shall enter into bank repurchase agreements effective as of the Second Closing with respect to the Entertainment securities to be received pursuant to the Exchange Agreement in exchange for shares of Currently Pledged Stock. Such repurchase agreements shall be in form and substance satisfactory to Micro or Entertainment, as the case may be, it being understood that such repurchase agreements shall be similar to Industries' current bank repurchase agreements. Industries shall be released from its obligations under Industries' current bank repurchase agreements with respect to the Currently Pledged Stock exchanged in the Exchange. Such release shall be effective at the Effective Time (with respect to shares of Currently Pledged Stock exchanged pursuant to the Exchange Agreement at the Effective Time) and at the Second Closing (with respect to shares of Currently Pledged Stock exchanged pursuant to the Exchange Agreement at the Second Closing).

SECTION 4.5. Cross-Guarantees. Each of Industries and Entertainment hereby agrees, upon the request of Micro, to guarantee, for the fees and on the other terms and conditions set forth on Schedule 4.5, (i) indebtedness incurred by Micro pursuant to credit facilities of Micro entered into at or prior to the Effective Time or pursuant to any replacements, refinancings or renewals thereof which do not increase the aggregate amount of the indebtedness guaranteed and are on terms substantially the same as the prior facilities or otherwise reasonably acceptable to Industries and Entertainment, (ii) indebtedness incurred by Micro the proceeds of which are used by Micro to repay indebtedness owing to Industries, Entertainment or their respective Subsidiaries and (iii) amounts payable by Micro under the Master Lease dated as of December 20, 1995 by and between Lease Plan North America, Inc. and Ingram Micro L.P. Commencing at the Effective Time, Micro shall reimburse Entertainment or Industries, as the case may be, for the difference between (x) the actual cost of indebtedness incurred by Entertainment or Industries in connection with any type of financing transaction (up to an amount of such financing equal to the amount of indebtedness guaranteed by Entertainment or Industries, as the case may be), and the amount which such portion of such

financing would have cost had all such guarantees been released at such time and (y) any increased cost of existing indebtedness of Industries or Entertainment arising as a result of the failure to have all guarantees released at such time. Each of Entertainment and Industries agrees to give Micro 75 days prior written notice of the incurrence by it of any indebtedness (other than indebtedness incurred pursuant to facilities entered into as of the Effective Time) subject to reimbursement as described above. Such written notice shall set forth the proposed amount of such indebtedness and shall specify the material terms and conditions of such indebtedness being proposed at such time, to the extent known by Entertainment or Industries at the time of such notice. Fees payable to Industries and Entertainment pursuant to Schedule 4.5 for any month shall be allocated between them in accordance with their relative book values as of the end of the prior month.

SECTION 4.6. Public Announcements. The parties agree to consult with each other before issuing any press release or making any public statement with respect to this Agreement, the Ancillary Agreements or the consummation of the transactions contemplated hereby and thereby and, except as may be required by applicable law or any listing agreement with any national securities exchange, will not issue any such press release or make any such public statement without the prior written consent of all of the parties hereto, which will not unreasonably be withheld.

SECTION 4.7. Notices of Certain Events. Each party hereto shall promptly notify each other party of:

(i) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(ii) any notice or other communication from any governmental or regulatory agency or authority in connection with the transactions contemplated by this Agreement;

(iii) any actions, suits, claims, investigations or proceedings commenced or, to its knowledge threatened, against, relating to or involving or otherwise affecting such party challenging this Agreement or any Ancillary Agreement or the transactions contemplated hereby or thereby or seeking to prohibit, alter, prevent or materially delay the Effective Time; and

(iv) any materially adverse developments affecting the business and operations of such party which become known to it, including without limitation any change which has had or is reasonably likely to have a Material Adverse Effect on such party.

ARTICLE 5

SURVIVAL; INDEMNIFICATION

SECTION 5.1. Survival. The representations and warranties of the parties hereto contained in this Agreement or in any certificate or other writing delivered pursuant hereto or in connection herewith shall not survive the Effective Time. The covenants and agreements to be performed hereunder shall remain in full force and effect in accordance with their terms (or, if no survival period is specified, indefinitely). Notwithstanding the preceding sentence, any covenant or agreement in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to the preceding sentence, if notice of the breach thereof giving rise to such right to indemnity shall have been given to the party against whom such indemnity may be sought prior to such time.

SECTION 5.2. Indemnification. Each party hereby indemnifies each other party and its Affiliates against and agrees to hold each of them harmless from any and all damage, loss, liability and expense (including without limitation reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, suit or proceeding, including any expenses incurred in connection with the enforcement of rights of any party pursuant to this Agreement) (collectively, "Loss") incurred or suffered by such other party or any of its Affiliates arising out of:

(i) any breach of any covenant or agreement to be performed by such party pursuant to this Agreement; and

(ii) the failure of such party to perform its obligations with respect to any liability assumed (or retained) by such party pursuant to Section 3.1.

SECTION 5.3. Procedures. (a) The party seeking indemnification under Section 5.2 (the "Indemnified Party") shall give prompt written notice to the party against whom indemnity is sought (the "Indemnifying Party") of any claim, assertion, event or proceeding of which such Indemnified Party has knowledge concerning any Loss as to which such Indemnified Party may request indemnification under such Section; provided that the failure to give such notice shall not relieve the Indemnifying Party from any liability under Section 5.2, except to the extent that the Indemnifying Party has been prejudiced by such failure.

(b) With respect to any such claim or proceeding by or in respect of a third party, the Indemnifying Party shall have the right to direct, through counsel of its own choosing, reasonably satisfactory to the Indemnified Party, the defense or settlement thereof at its own expense. If the Indemnifying Party elects to assume the defense of any such claim or

proceeding, the Indemnifying Party thereby waives its right to contest its obligation to indemnify the Indemnified Party pursuant to this Section with respect to such claim or proceeding and the Indemnified Party may participate in such defense, but in such case the expenses of the Indemnified Party shall be paid by the Indemnified Party. The Indemnified Party shall provide the Indemnifying Party with reasonable access to its records and personnel relating to any such claim, assertion, event or proceeding during normal business hours and shall otherwise cooperate with the Indemnifying Party in the defense or settlement thereof, and the Indemnifying Party shall reimburse the Indemnified Party for all of its reasonable out-of-pocket expenses in connection therewith. Upon assumption of the defense of any such claim or proceeding by the Indemnifying Party, the Indemnified Party shall not pay, or permit to be paid, any part of any claim or demand arising from such asserted liability for so long as the Indemnifying Party is diligently defending such claim or demand, unless the Indemnifying Party consents in writing to such payment or unless a final judgment from which no appeal may be taken is entered against the Indemnified Party for such liability. If the Indemnifying Party shall fail to assume and pursue the defense, the Indemnified Party shall have the right to undertake the defense or settlement thereof at the Indemnifying Party's expense (subject to the liability of the Indemnifying Party pursuant to Section 5.2). No third party claim may be settled by the Indemnified Party without the written consent of the Indemnifying Party, which consent shall not be unreasonably withheld. Any such settlement shall include as an unconditional term thereof the giving by the claimant or the plaintiff to the Indemnified Party of a release of the Indemnified Party from all liability in respect of such claim; provided that if the Indemnifying Party submits to the Indemnified Party a bona fide settlement offer from the third party claimant of any claim (which settlement offer shall include as an unconditional term of it the release by the claimant or the plaintiff to the Indemnified Party from all liability in respect of such claim) and the Indemnified Party refuses to consent to such settlement, then thereafter the Indemnifying Party's liability to the Indemnified Party for indemnification with respect to such claim shall not exceed the settlement amount included in said bona fide settlement offer, and the Indemnified Party shall either assume the defense of such claim or pay the Indemnifying Party's attorney's fees and other out-of-pocket costs incurred thereafter in continuing the defense of such claim.

(c) Each payment made pursuant to Section 5.2 of an amount equal to $1,000,000 or more shall be made promptly following final determination of such claim and each such payment of an amount of less than $1,000,000 shall be made no later than the end of the calendar quarter next following the date on which the amount of such claim was finally determined. Any such payment shall be limited to the amount of any liability or damage that remains after deducting therefrom any indemnity, contribution or other similar payment recoverable by the Indemnified Party from any third party with respect thereto.

ARTICLE 6

TERMINATION

SECTION 6.1. Grounds for Termination. This Agreement shall terminate in its entirety upon the termination of the Exchange Agreement pursuant to Section 7.6(a) of the Exchange Agreement. Section 4.1 [others?] of this Agreement shall terminate upon the termination of the Exchange Agreement pursuant to Section 7.6(b) of the Exchange Agreement.

SECTION 6.2. Effect of Termination. If this Agreement is terminated as permitted by Section 6.1, such termination shall be without liability of any party (or any stockholder, director, officer, employee, agent, member, consultant or representative of such party) to the other parties to this Agreement.

ARTICLE 7

MISCELLANEOUS

SECTION 7.1. Headings. The headings in this Agreement are for convenience of reference only and shall not control or affect the meaning or construction of any provision hereof.

SECTION 7.2. Entire Agreement. This Agreement, the Ancillary Agreements, the Exchange Agreement, the Related Agreements (as defined in the Exchange Agreement) and the Board Representation Agreement (as defined in the Exchange Agreement) constitute the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein. This Agreement and such other agreements supersede all prior agreements and understandings between the parties hereto with respect to the subject matter hereof and thereof.

SECTION 7.3. Notices. Any notice, request, instruction or other document to be given hereunder by any party hereto to another party hereto shall be in writing (including telecopier or similar writing) and shall be given to such party at its address set forth on the signature pages hereof, or to such other address as the party to whom notice is to be given may provide in a written notice to the party giving such notice, a copy of which written notice shall be on file with the Secretary of Industries. If notice is given pursuant to this Section of a permitted successor or assign of a party to this Agreement, then notice shall thereafter be given as set forth above to such successor or assign of such party to this Agreement. Each such notice, request or other communication shall be effective (i) if given by telecopy, when such telecopy is transmitted to the telecopy number specified on the signature pages hereof and electronic or oral confirmation of receipt is received, (ii) if given

by mail, at the close of business on the third business day hours after such communication is deposited in the mails with first class postage prepaid addressed as aforesaid or (iii) if given by any other means, when delivered at the address specified in this Section 7.3.

SECTION 7.4. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee without regard to the conflicts of law rules of such state.

SECTION 7.5. Severability. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of this Agreement, including any such provision, in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

SECTION 7.6. Successors, Assigns, Transferees. No party may assign or otherwise transfer any of its rights under this Agreement without the consent of each other party. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns. Neither this Agreement nor any provision hereof shall be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement, those who agree to be bound hereby and their respective successors and permitted assigns.

SECTION 7.7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 7.8. Amendments and Waivers. (a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

SECTION 7.9. Consent to Jurisdiction. Each party hereto irrevocably submits to the non-exclusive jurisdiction of any Tennessee State Court or United States Federal Court sitting in the Middle District of Tennessee over any suit, action or proceeding arising out of or relating to this Agreement. Each party hereto waives any right it may have to assert the doctrine of forum non conveniens or to object to venue to the extent any proceeding is brought in accordance with this Section 7.9. Nothing in this paragraph shall affect or limit any right to serve process in any manner permitted by law, to bring proceedings in the courts of any jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

INGRAM INDUSTRIES INC.

By:_____
Name:
Title:
One Belle Meade Place
4400 Harding Road
Nashville, TN 37205
Telecopy: (615) 298-8242

INGRAM MICRO INC.

By:_____
Name:
Title:
1600 East Saint Andrew Place
Santa Ana, CA 92705
Telecopy: 714-566-7900

INGRAM ENTERTAINMENT INC.

By:_____
Name:
Title:
Two Ingram Blvd.
La Vergne, TN 37086

Telecopy: 615-287-4985

EXHIBIT 10.15

BOARD REPRESENTATION AGREEMENT

AGREEMENT dated as of _____ among Ingram Micro Inc., a Delaware corporation ("Micro"), and each Person listed on the signature pages hereof.

WHEREAS, Micro believes it is in the best interest of Micro and its stockholders to become a free standing corporation rather than a subsidiary of Ingram Industries Inc. ("Industries"); and

WHEREAS, Micro believes that the proposed Split-Off (as defined herein) from Industries will facilitate its ability to raise capital, including its initial public offering, and will allow Micro to more effectively design incentives for its employees, all to the benefit of Micro and its stockholders; and

WHEREAS, the Family Stockholders (as defined herein) are willing to relinquish certain rights in exchange for the bargained for provisions of this Agreement (all of which are, and are intended to be, an inducement for the Family Stockholders to effect the Split-Off); and

WHEREAS, the parties hereto desire to provide for certain rights and obligations relating to the composition and qualifications of the board of directors of Micro following the date hereof;

Accordingly, in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt, sufficiency and mutuality of which are hereby acknowledged by each of the parties hereto, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

SECTION 1.1 Definitions.

(a) The following terms, as used herein, have the following meanings:

"Approving Family Stockholders" means the QTIP Marital Trust created under the E. Bronson Ingram Revocable Trust Agreement dated January 4, 1995, Martha R. Ingram, Orrin H. Ingram, II, John R. Ingram, David B. Ingram, Robin B. Ingram Patton, E. Bronson Ingram 1995 Charitable Remainder 5% Unitrust, Martha and Bronson Ingram Foundation, Trust for Orrin Henry Ingram, II, under Agreement with E. Bronson Ingram dated October 27, 1967, Trust for the Benefit of Orrin Henry Ingram, II, under Agreement with E. Bronson Ingram dated June 14, 1968, Trust for Orrin Henry Ingram, II, under Agreement with Hortense B. Ingram dated December 22, 1975, The Orrin H. Ingram Irrevocable Trust dated July 9, 1992, Trust for the Benefit of Orrin H. Ingram established by Martha R. Rivers under Agreement of Trust originally dated April 30, 1982, as amended, Trust for John Rivers Ingram, under Agreement with E. Bronson Ingram dated October 27, 1967, Trust for John Rivers Ingram, under Agreement with Hortense B. Ingram dated December 22, 1975, The John R. Ingram Irrevocable Trust dated July 9, 1992, Trust for the Benefit of John R. Ingram established by Martha R. Rivers under Agreement of Trust originally dated April 30, 1982, as amended, The John and Stephanie Ingram Family 1996 Generation Skipping Trust, Trust for David B. Ingram, under Agreement with Hortense B. Ingram dated December 22, 1975, The David B. Ingram Irrevocable Trust dated July 9, 1992, Trust for the Benefit of David B. Ingram established by Martha R. Rivers under Agreement of Trust originally dated April 30, 1982, as amended, David and Sarah Ingram Family 1996 Generation Skipping Trust, Trust for Robin Bigelow Ingram, under Agreement with E. Bronson Ingram dated October 27, 1967, Trust for Robin Bigelow Ingram, under Agreement with Hortense B. Ingram dated December 22, 1975, The Robin Ingram Patton Irrevocable Trust, dated July 9, 1992 and Trust for the Benefit of Robin B. Ingram established by Martha R. Rivers under Agreement of Trust originally dated April 30, 1982, as amended, and all Permitted Transferees of each such Person.

"Approving Voting Power" means, as of any date, the number of votes able to be cast pursuant to Section 2.5(d) by the Approving Family Stockholders consistent with Exhibit A hereto.

"Board" means the board of directors of Micro.

"Fair Market Value" means with respect to the Micro Common Shares, as of any given date or dates, the reported closing price of a share of such class of common stock on such exchange or market as is the principal trading market for such class of common stock. If such class of common stock is not traded on an exchange or principal trading market on such date, the fair market value of a Micro Common Share shall be determined by the Board in good faith taking into account as appropriate recent sales of the Micro Common Shares, recent valuations of the Micro Common Shares, the lack of liquidity of the Micro Common Shares, the fact that the Micro Common Shares may represent a minority interest and such other factors as the Committee shall in its discretion deem relevant or appropriate.

"Family Agent" means a Person appointed by a majority of the Approving Voting Power of the Approving Family Stockholders from time to time as provided in Section 3.13 of this Agreement.

"Family Stockholders" means the Persons listed on the signature pages hereof (other than Micro) and all Permitted Transferees of each such Person.

"Independent" means, with respect to any Person, a Person who shall (i) not be an executive officer or other employee of Micro and (ii) not be a member of the Ingram Family.

"Ingram Family" means Martha R. Ingram, her descendants (including adopted persons and their descendants) and their respective spouses.

"Micro Common Shares" means the shares of common stock of Micro, including the Class B common stock and the Class A common stock, par value $0.01 per share, of Micro.

"Outstanding Voting Power" means, as of any date, the number of votes able to be cast for the election of directors represented by all Micro Common Shares outstanding on such date.

"Permitted Transferee" means, with respect to any Family Stockholder, any of the other Family Stockholders or any of their respective spouses, descendants (including adopted persons and their descendants), estates, affiliates or any trust or other entities for the benefit of any of the foregoing Persons and beneficiaries of the E. Bronson Ingram QTIP Marital Trust upon the death of Martha R. Ingram, whether the transfer occurs voluntarily during life or at death, whether by appointment, will or intestate descent or distribution. Without limiting the generality of the foregoing, transfers from the QTIP Marital Trust created under the E. Bronson Ingram Revocable Trust Agreement dated January 4, 1995 to the Martha and Bronson Ingram Foundation, the Ingram Charitable Fund or any of the other beneficiaries thereof shall be deemed to be transfers to Permitted Transferees.

"Person" means an individual, corporation, partnership, limited liability company, trust, association or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Split-Off" means the contemplated distribution by Industries of all the stock of Micro and Ingram Entertainment Inc. to certain stockholders of Industries effected in accordance with Section 355 of the Internal Revenue Code of 1986, as amended.

(b) Each of the following terms is defined in the Section set forth opposite such term:

Term	Section
Approving Family Stockholder Notice....	2.5
Date of Confirmation.....	2.5
Family Directors.....	2.2
Independent Directors.....	2.2
Management Director.....	2.2
Significant Actions.....	2.5

ARTICLE 2

BOARD COMPOSITION AND CORPORATE GOVERNANCE

SECTION 2.1 Number of Directors; Term; Quorum; Vote. The bylaws of Micro shall provide for a Board consisting of at least seven and no more than nine members. The term of each director will be one year, commencing immediately following the annual meeting of stockholders at which such director is to be elected and ending at such time after the next annual meeting of stockholders as his or her successor is elected and qualified or upon such director's death, or earlier resignation or removal in accordance with this Agreement or applicable law. Except as otherwise provided herein, the bylaws of Micro shall provide that the vote of a majority of the entire Board of directors shall be required for all actions of the Board.

SECTION 2.2 Qualifications of Directors; Subsequent Nominations of Directors.

(a) Composition and Qualifications of the Board. The Family Stockholders agree to vote their shares of Micro Common Shares to cause the Board, from and after the date of this Agreement and until their successors and additional directors are duly elected and qualified in accordance with law and the terms of this Agreement, to consist of the chief executive officer of Micro, three individuals named by the Family Stockholders and who may be Family Stockholders, and three individuals who shall be Independent and who shall have been approved by the Family Stockholders. All subsequent nominations of persons for election to the Board contained in proxy soliciting material distributed on behalf of Micro during the term of this Agreement will be made by the Nominating Committee, and all persons proposed to fill vacancies on the Board, shall in each case be consistent with the provisions of Micro's bylaws which shall provide the following qualifications for directors:

(i) Three individuals who are designated by the Family Stockholders and who need not be Independent and may be Family Stockholders (the "Family Directors");

(ii) One individual who is designated by the chief executive officer of Micro, who need not be Independent and who may be the chief executive officer of Micro (the "Management Director"); and

(iii) Three (in the case of a board consisting of seven directors), four

(in the case of a board consisting of eight directors) or five (in the case of a board consisting of nine directors) individuals, as the case may be from time to time, who shall be Independent (the "Independent Directors").

(b) Addition of Eighth or Ninth Director. After the election and qualification of the seven directors as set forth in this Section 2.2 above, the Board may be expanded to eight or nine directors by the affirmative vote of a majority of such seven or eight directors, as the case may be. Such eighth and ninth directors shall have the qualifications of being nominated by a majority of the Nominating Committee and shall be Independent. After the initial qualification and election of such eighth and ninth directors as set forth in this Section 2.2(b), any vacancy created by the death, resignation or removal of such director shall be filled pursuant to Section 2.3 below.

SECTION 2.3 Filling of Vacancies. The bylaws of Micro shall provide that if, as a result of the death, resignation or removal of a director, a vacancy is created on the Board, the vacancy shall be filled in the following manner with individuals with the following qualifications: (a) if the vacancy resulted from the death, resignation or removal of a Family Director, the vacancy shall be filled by vote of a majority of the remaining Family Directors; (b) if the vacancy resulted from the death, resignation or removal of the Management Director, the vacancy shall be filled by a person qualifying to be a Management Director as designated by the chief executive officer of Micro; and (c) if the vacancy resulted from the death, resignation or removal of an Independent Director, the vacancy shall be filled by a person qualifying to be an Independent Director nominated by the Nominating Committee and approved by a majority of the entire Board then in office. The bylaws of Micro shall provide that if such vacancy on the Board also creates a vacancy on any committee thereof, the Board will appoint such replacement director elected in accordance with this Section 2.3 to fill the committee position or positions held by his or her predecessor.

SECTION 2.4 Committees.

(a) General. The bylaws of Micro shall provide for the designation, qualification and composition of the Board committees as set forth below and shall provide that all committees shall act by vote of the majority of the entire number of directors which constitute the committee.

i. Nominating Committee. The Nominating Committee will consist of three (3) directors, two of whom will be Family Directors, and one of whom will be the Management Director.

ii. Executive Committee. The Executive Committee will consist of three (3) directors, one of whom will be a Family Director, one of whom will be the Management Director and one of whom will be an Independent Director.

iii. Compensation Committee. The Compensation Committee will consist of three (3) directors, one of whom will be a Family Director, and two of whom will be Independent Directors. The Compensation Committee shall establish the compensation of all executive officers of Micro and shall administer all stock option, purchase and equity incentive plans.

iv. Audit Committee. The Audit Committee will consist of at least three (3) directors. At least a majority of the members of the Audit Committee will be Independent Directors.

(b) Selection and Removal of Committee Members. The bylaws shall provide that the Nominating Committee shall name the directors to serve on the Board committees and shall direct the Nominating Committee to follow the qualification requirements set forth in Sections 2.2 and 2.4(a). A Committee member shall be subject to removal from his or her position as a Committee member by the vote of a majority of the members of the Nominating Committee.

SECTION 2.5 Actions Requiring Consent of Approving Family Stockholders.

(a) Significant Actions. In addition to any vote required by applicable law, the bylaws shall provide that so long as this Agreement remains effective, the following actions ("Significant Actions") will not be taken by or on behalf of Micro without the written approval of Approving Family Stockholders, acting in their sole discretion, holding at least a majority of the Approving Voting Power held by all of the Approving Family Stockholders:

(i) any sale or other disposition or transfer of all or substantially all of the assets of Micro (considered together with its subsidiaries);

(ii) any merger, consolidation or share exchange involving Micro, other than mergers effected for administrative reasons of subsidiaries owned at least 90% by Micro which under applicable law can be effected without stockholder approval;

(iii) any issuance (or transfer from treasury) of additional equity, convertible securities, warrants or options with respect to the capital stock of Micro, or any of its subsidiaries, or the adoption of any additional equity plans by or on behalf of Micro or any of its subsidiaries except for (A) options granted or stock sold in the ordinary course of business pursuant to plans approved by the Family Stockholders, and (B) the issuance of Micro Common Shares valued at Fair Market Value in acquisitions as to which no approval is required under subsection (iv) of this Section or as to which approval has been

obtained under subsection (iv) of this Section;

(iv) any acquisition by or on behalf of Micro or one of its subsidiaries involving a total aggregate consideration in excess of 10% of Micro's stockholders' equity calculated in accordance with generally accepted accounting principles for the most recent quarter for which financial information is available (after taking into account the amount of any indebtedness for borrowed money to be assumed or discharged by Micro or any of its subsidiaries and any amounts required to be contributed, invested or borrowed by Micro or any of its subsidiaries if such contribution, investment or borrowing is reasonably contemplated by Micro to be necessary within 12 months after the date of the acquisition);

(v) guaranteeing indebtedness of an entity other than a subsidiary of Micro exceeding 5% of Micro's stockholders' equity calculated in accordance with generally accepted accounting principles for the most recent quarter for which financial information is available;

(vi) incurrence of indebtedness by Micro after the consummation of the initial public offering of Micro Common Shares (other than indebtedness incurred after the initial public offering of Micro which renews or replaces a previously existing facility so long as the aggregate amount of indebtedness is not increased) in a transaction which could be reasonably expected to reduce Micro's investment rating lower than one grade below the ratings of Micro by Moody's Investors Service ("Moody's"), Fitch Investors Service, L.P. ("Fitch") or Standard & Poor's Rating Group ("Standard & Poor's") immediately following the initial public offering, but in any event incurrence of indebtedness by Micro after the consummation of the initial public offering which could be reasonably expected to reduce such investment rating lower than Baa by Moody's; BBB- by Fitch; or BBB- by Standard & Poor's; and

(vii) any other transaction having substantially the same effect as a transaction described in clauses (i) through (vi) of this Section 2.5.

(b) Notices and Information Required To Be Given. Micro shall give notice to each of the Approving Family Stockholders of any potential, proposed or contemplated Significant Action, along with all information that Micro believes in good faith that an Approving Family Stockholder might reasonably consider to be material in deciding whether or not to approve such Significant Action (an "Approving Family Stockholder Notice"). An Approving Family Stockholder Notice will be given by Micro to each of the Approving Family Stockholders as soon as is practicable under the circumstances, but in no event later than five (5) days prior to the date on which the Significant Action is expected to occur. Micro shall be deemed to have given the required Approving Family Stockholder Notice to each Approving Family Stockholder when the Family Agent receives such Approving Family Stockholder Notice consistent with the requirements of Sections 2.5 and 3.3 and a copy of such Approving Family Stockholder Notice is delivered to Bass, Berry & Sims PLC, Attention: Leigh Walton, by telecopy to (615) 742-6298 or by physical delivery to 2700 First American Center, Nashville, TN 37238-2700.

(c) Consent Deemed to be Given. The approval of each Significant Action required to be given by the Approving Family Stockholders consistent with Section 2.5(a) will be deemed to have been given by the Approving Family Stockholders if Micro does not receive communications from the Family Agent withholding such approval within five (5) business days from the Date of Confirmation. For purposes of this Section 2.5(c) "Date of Confirmation" means the day Micro confirms the actual receipt of such Approving Family Stockholder Notice by the Family Agent and Bass, Berry & Sims PLC consistent with the requirements of Sections 2.5 and 3.3.

(d) Approving Family Stockholder Voting Power. With respect to any vote pursuant to Section 2.5, and as of any given date, each Approving Family Stockholder shall be entitled to cast a number of votes equal to (i) the Outstanding Voting Power of all Micro Common Shares owned of record by such Approving Family Stockholder, plus (ii) any voting power attributed to such Approving Family Stockholder under Exhibit A hereto.

SECTION 2.6 Other Corporate Governance Provisions; Liability Insurance.

(a) Governance by Board. Micro will be managed by or under the direction of its Board. The bylaws of Micro shall provide that each member of the Board, and all committees of the Board, shall have at all times full access to the books and records of Micro and all minutes of stockholder, Board and committee meetings, proceedings and actions and that each member of the Board shall have the right to add items to any agenda for a meeting of the Board. The bylaws of Micro shall also provide that during the period of time between each regularly scheduled meeting of the Board, management decisions requiring the immediate attention of the Board may be made with the approval of a majority of the members of the Executive Committee; provided, however, that the Executive Committee will not have the authority to approve any of the following items, all of which require the approval of the Board: (i) any action that would require the approval of the holders of a majority of the Approving Voting Power held by the Approving Family Stockholders under Section 2.5 above or that would require approval of the holders of a majority of the Micro Common Shares under applicable law or under the certificate of incorporation or bylaws of Micro (provided, however, that subject to applicable law, the Board shall be entitled to delegate to the Executive Committee the authority to negotiate and finalize actions, the general terms of which have been approved by the Board); (ii) any acquisition with a total aggregate consideration in excess of 2% of Micro's stockholders' equity calculated in accordance with generally accepted accounting principles for the most recent quarter for which financial information is available (after taking into account the amount of any indebtedness to be assumed or discharged by

Micro or any of its subsidiaries and any amounts required to be contributed, invested or borrowed by Micro or any of its subsidiaries); (iii) any action outside of the ordinary course of business of Micro; or (iv) any other action involving a material shift in policy or business strategy for the Board.

(b) Directors' Liability Insurance. Unless otherwise agreed by the written consent of the Family Stockholders, Micro shall maintain, to the extent commercially available at reasonable rates, for the benefit of the directors adequate directors' liability insurance to cover the reasonably anticipated risks associated with their positions. Micro shall enter into contracts with directors which assure them of indemnification to the full extent allowable by law both while they serve as directors and thereafter and the Micro certificate of incorporation will include all applicable provisions necessary to effect the maximum protection provided by Section 102(b)(7) of the Delaware General Corporation Law.

SECTION 2.7 Agreement to Vote; Best Efforts.

(a) Generally. Each party to this Agreement agrees (i) to use its best efforts to take all actions necessary to cause the Family Directors, the Management Director and the Independent Directors to be elected or appointed to the Board, (ii) to act in a manner consistent with the intent of this Agreement in nominating and electing persons to be directors and in filling any vacancy in the membership of the Board, and (iii) to take such other necessary or appropriate actions as may be required to give effect to the provisions of this Agreement.

(b) Amendment of Class A and B Shares. The provisions of the certificate of incorporation of Micro relating to the Micro Common Shares will not be altered without the consent of a majority of the Outstanding Voting Power held by the Family Stockholders.

(c) Amendment of Bylaws. The bylaws of Micro shall provide that, during the term of this Agreement, (i) the stockholders may alter, amend, restate or repeal such bylaws or any of them, or make new bylaws, only by the affirmative vote of the holders of 75 % of the voting power of the then outstanding Micro Common Shares and (ii) the Board may alter, amend, restate or repeal such bylaws or any of them, or make new bylaws, only by the affirmative vote of three-quarters (3/4) of the members of the entire Board.

(d) No Conflicting Provisions of Certificate of Incorporation or Bylaws. Except as may be required by applicable law, during the term of this Agreement, the parties hereto agree to use their best efforts to prevent any provision of Micro's certificate of incorporation or bylaws from containing any terms inconsistent with the provisions of this Agreement, and from being amended, modified, supplemented, restated or repealed in a manner inconsistent with the provisions of this Agreement.

SECTION 2.8 Termination. This Agreement will terminate and be of no further force or effect on the first date on which the Family Stockholders and their Permitted Transferees together hold beneficially less than 25,000,000 Micro Common Shares (as such number is equitably adjusted to reflect stock splits, stock dividends, recapitalizations or other transactions in the capital stock of Micro).

ARTICLE 3

MISCELLANEOUS

SECTION 3.1 Headings. The headings in this Agreement are for convenience of reference only and shall not control or affect the meaning or construction of any provisions hereof.

SECTION 3.2 Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. This Agreement supersedes all prior agreements and understandings between the parties hereto with respect to the subject matter hereof.

SECTION 3.3 Notices. Any notice, request, instruction or other document to be given hereunder by any party hereto to another party hereto shall be in writing (including telecopier or similar writing) and shall be given to such party at its address set forth on the signature pages hereof, or to such other address as the party to whom notice is to be given may provide in a written notice to the party giving such notice, a copy of which written notice shall be on file with the Secretary of Micro. Except as otherwise provided herein, each such notice, request or other communication shall be effective (i) if given by telecopy, when such telecopy is transmitted to the telecopy number specified on the signature pages hereof and the appropriate confirmation is received, (ii) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid addressed as aforesaid or (iii) if given by any other means, when delivered at the address specified in this Section 3.3.

SECTION 3.4 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to the conflicts of law rules of such state.

SECTION 3.5 Severability. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of this Agreement, including any such provision, in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

SECTION 3.6 Successors, Assigns, Transferees. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns. Notwithstanding the foregoing, neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by any party hereto; provided that each Family Stockholder agrees that, in connection with any transfer by such Family Stockholder of Micro Common Shares after the Split-Off to a Permitted Transferee (as defined herein), such Family Stockholder shall assign its rights hereunder with respect to the shares so transferred to the transferee of such Micro Common Shares. In such event, such transferee shall execute and deliver to Micro an instrument or instruments substantially in the form of Exhibit B hereto confirming that the transferee has agreed to be bound, to the same extent and in the same manner as the transferor, by the terms of this Agreement, a copy of which instrument shall be maintained on file with the Secretary of Micro and shall include the address of such transferee to which notices hereunder shall be sent. Neither this Agreement nor any provision hereof shall be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement, those who agree to be bound hereby and their respective successors and permitted assigns.

SECTION 3.7 Amendments; Waivers.

(a) No failure or delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

(b) Neither this Agreement nor any term or provision hereof may be amended or waived except by an instrument in writing signed, in the case of an amendment, by each of the parties hereto and, in the case of waiver, by the party against whom the enforcement of such waiver is sought.

SECTION 3.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 3.9 Remedies. The parties hereby acknowledge and agree that in the event of any breach of this Agreement, the parties would be irreparably harmed and could not be made whole by monetary damages. Each party hereto accordingly agrees (i) not to assert by way of defense or otherwise that a remedy at law would be adequate, and (ii) in addition to any other remedy to which the parties may be entitled, that the remedy of specific performance of this Agreement is appropriate in any action in court.

SECTION 3.10 Consent to Jurisdiction. Each party hereto irrevocably submits to the non-exclusive jurisdiction of any court of the State of Delaware or any United States Federal Court sitting in the State of Delaware over any suit, action or proceeding arising out of or relating to this Agreement. Each party hereto waives any right it may have to assert the doctrine of forum non conveniens or to object to venue to the extent any proceeding is brought in accordance with this Section 3.10. Nothing in this paragraph shall affect or limit any right to serve process in any manner permitted by law, to bring proceedings in the courts of any jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

SECTION 3.11 Reliance on Corporate Records of Micro. For purposes of this Agreement, Micro shall be entitled to determine the identity or existence of one or more Family Stockholders, Approving Family Stockholders and their Permitted Transferees by relying on the shareholder and other records of Micro.

SECTION 3.12 Actions by Family Stockholders. Except as otherwise provided herein, all actions required to be taken hereunder by the Family Stockholders shall be taken by the holders of a majority of the Outstanding Voting Power held by the Family Stockholders.

SECTION 3.13 Actions by the Approving Family Stockholders; Family Agent.

(a) All actions required to be taken hereunder by the Approving Family Stockholders shall be taken by the holders of a majority of the Approving Voting Power held by the Approving Family Stockholders.

(b) The Approving Family Stockholders agree to appoint a Person to serve as Family Agent on or before the date of the Split-Off, and to maintain a Family Agent for the duration of this Agreement. The appointment of a Person to serve as Family Agent shall become effective upon the receipt by Micro of a written notice pursuant to Section 3.3 of such appointment by the holders of a majority of the Approving Voting Power held by the Approving Family Stockholders. The Family Agent is authorized to report the decisions of the Approving Family Stockholders, and Micro shall be entitled to rely on a written statement from the Family Agent as to actions taken by the Approving Family Stockholders.

(c) A Family Agent shall serve in the agency capacity set forth in this Agreement until (i) this Agreement terminates pursuant to Section 2.8 or (ii) Micro receives notice from the holders of a majority of the Approving Voting Power held by the Approving Family Stockholders that another Person has been appointed as the Family Agent.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INGRAM MICRO INC.

By:_____
Name:
Title:
1600 East Saint Andrew Place
Santa Ana, California 92705
Telecopy: 714-566-7900

_____
Martha R. Ingram
120 Hillwood Drive
Nashville, TN 37215

_____
Orrin H. Ingram, II
1475 Moran Road
Franklin, TN 37069

_____
John R. Ingram
311 Jackson Boulevard
Nashville, TN 37205

_____
David B. Ingram
4417 Tyne Boulevard
Nashville, TN 37215

_____
Robin B. Ingram Patton
1600 Chickering Road
Nashville, TN 37215

QTIP MARITAL TRUST CREATED UNDER
THE E. BRONSON INGRAM REVOCABLE
TRUST AGREEMENT DATED JANUARY 4, 1995

By: MARTHA R. INGRAM, ORRIN H.
INGRAM, JOHN R. INGRAM,
DAVID B. INGRAM AND ROBIN B. INGRAM
PATTON, as Co-Trustees

By:_____
Name: Martha R. Ingram
Title: Co-Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

By:_____
Name: Orrin H. Ingram
Title: Co-Trustee
Address: 1475 Moran Road
Franklin, TN 37069

By:_____
Name: John R. Ingram
Title: Co-Trustee
Address: 311 Jackson Boulevard
Nashville, TN 37205

By:_____
Name: David B. Ingram
Title: Co-Trustee
Address: 4417 Tyne Boulevard
Nashville, TN 37215

By:_____
Name: Robin B. Ingram Patton
Title: Co-Trustee
Address: 1600 Chickering Road
Nashville, TN 37215

E. BRONSON INGRAM 1995 CHARITABLE
REMAINDER 5% UNITRUST

By: MARTHA R. INGRAM, as Trustee

By:_____
Name: Martha R. Ingram
Title: Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

MARTHA AND BRONSON INGRAM
FOUNDATION

By: ORRIN H. INGRAM, JOHN R. INGRAM,
DAVID B. INGRAM, AND ROBIN BIGELOW
INGRAM PATTON, as Co-Trustees

By:_____
Name: Orrin H. Ingram
Title: Co-Trustee
Address: 1475 Moran Road
Franklin, TN 37069

By:_____
Name: John R. Ingram
Title: Co-Trustee
Address: 311 Jackson Boulevard
Nashville, TN 37205

By:_____
Name: David B. Ingram
Title: Co-Trustee
Address: 4417 Tyne Boulevard
Nashville, TN 37215

By:_____
Name: Robin Bigelow Ingram Patton
Title: Co-Trustee
Address: 1600 Chickering Road
Nashville, TN 37215

E. BRONSON INGRAM 1994
CHARITABLE LEAD ANNUITY TRUST

By: ORRIN H. INGRAM, JOHN R. INGRAM,
DAVID B. INGRAM, AND ROBIN B.
INGRAM PATTON, as Co-Trustees

By:_____
Name: Orrin H. Ingram
Title: Co-Trustee
Address: 1475 Moran Road
Franklin, TN 37069

By:_____
Name: John R. Ingram
Title: Co-Trustee
Address: 311 Jackson Boulevard
Nashville, TN 37205

By:_____
Name: David B. Ingram
Title: Co-Trustee
Address: 4417 Tyne Boulevard
Nashville, TN 37215

By:_____
Name: Robin B. Ingram Patton
Title: Co-Trustee
Address: 1600 Chickering Road
Nashville, TN 37215

TRUST FOR ORRIN HENRY INGRAM, II,
UNDER AGREEMENT WITH E. BRONSON
INGRAM DATED OCTOBER 27, 1967

By: SUNTRUST BANK, ATLANTA,
MARTHA R. INGRAM AND FREDERIC
B. INGRAM, AS CO-TRUSTEES

By:_____
Name:
Title:
Address: SunTrust Bank, Atlanta
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

By:_____
Name: Martha R. Ingram
Title: Co-Trustee
Address: 120 Hillwood Drive

Nashville, TN 37215

By:_____
Name: Frederic B. Ingram
Title: Co-Trustee
Address: 813 Greenway Dr.
Beverly Hills, CA 90210

TRUST FOR ORRIN HENRY INGRAM, II, UNDER AGREEMENT WITH E. BRONSON INGRAM DATED JUNE 14, 1968

By: SUNTRUST BANK, ATLANTA, AND
MARTHA R. INGRAM, AS CO-TRUSTEES

By:_____
Name:
Title:
Address: SunTrust Bank, Atlanta
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

By:_____
Name: Martha R. Ingram
Title: Co-Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

TRUST FOR ORRIN HENRY INGRAM, II, UNDER AGREEMENT WITH HORTENSE B. INGRAM DATED DECEMBER 22, 1975

By: SUNTRUST BANK, ATLANTA,
Trustee

By:_____
Name:
Title:
Address: SunTrust Bank, Atlanta
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

THE ORRIN H. INGRAM IRREVOCABLE TRUST DATED JULY 9, 1992

By: ROY E. CLAVERIE, as Trustee

By:_____
Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

TRUST FOR THE BENEFIT OF ORRIN H. INGRAM ESTABLISHED BY MARTHA R. RIVERS UNDER AGREEMENT OF TRUST ORIGINALLY DATED APRIL 30, 1982, AS AMENDED

By: ROY E. CLAVERIE, as Trustee

By:_____
Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

TRUST FOR JOHN RIVERS INGRAM, UNDER AGREEMENT WITH E. BRONSON INGRAM DATED OCTOBER 27, 1967

By: SUNTRUST BANK, ATLANTA, MARTHA R.
INGRAM AND FREDERIC B. INGRAM, AS
CO-TRUSTEES

By:_____
Name:_____
Title:_____
Address: SunTrust Bank, Atlanta
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

By:_____
Name: Martha R. Ingram
Title: Co-Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

By:_____
Name: Frederic B. Ingram
Title: Co-Trustee
Address: 813 Greenway Dr.
Beverly Hills, CA 90210

TRUST FOR JOHN RIVERS INGRAM, UNDER AGREEMENT WITH E. BRONSON INGRAM DATED JUNE 14, 1968

By: SUNTRUST BANK, ATLANTA AND MARTHA R. INGRAM, AS CO-TRUSTEES

By:_____
Name:_____
Title:_____
Address: SunTrust Bank, Atlanta
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

By:_____
Name: Martha R. Ingram
Title: Co-Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

TRUST FOR JOHN RIVERS INGRAM, UNDER AGREEMENT WITH HORTENSE B. INGRAM DATED DECEMBER 22, 1975

By: SUNTRUST BANK, ATLANTA, Trustee

By:_____
Name:_____
Title:_____
Address: SunTrust Bank, Atlanta
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

THE JOHN R. INGRAM IRREVOCABLE TRUST DATED JULY 9, 1992

By: ROY E. CLAVERIE, as Trustee

By:_____
Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

TRUST FOR THE BENEFIT OF JOHN R. INGRAM ESTABLISHED BY MARTHA R. RIVERS UNDER AGREEMENT OF TRUST ORIGINALLY DATED APRIL 30, 1982, AS AMENDED

By: ROY E. CLAVERIE, as Trustee

By:_____
Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

THE JOHN AND STEPHANIE INGRAM FAMILY 1996 GENERATION SKIPPING TRUST

By: WILLIAM S. JONES, as Trustee

By:_____
Name: William S. Jones
Title: Trustee
Address: c/o Ingram Industries Inc.
4400 Harding Road
Nashville, TN 37205

TRUST FOR DAVID B. INGRAM, UNDER AGREEMENT WITH E. BRONSON INGRAM DATED OCTOBER 27, 1967

By: SUNTRUST BANK, ATLANTA, MARTHA R. INGRAM AND FREDERIC B. INGRAM, AS CO-TRUSTEES

By:_____
Name:
Title:
Address: SunTrust Bank, Atlanta
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

By:_____
Name: Martha R. Ingram
Title: Co-Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

By:_____
Name: Frederic B. Ingram
Title: Co-Trustee
Address: 813 Greenway Dr.
Beverly Hills, CA 90210

TRUST FOR DAVID B. INGRAM, UNDER AGREEMENT WITH E. BRONSON INGRAM DATED JUNE 14, 1968

By: SUNTRUST BANK, ATLANTA AND MARTHA R. INGRAM, AS CO-TRUSTEES

By:_____
Name:
Title:
Address: SunTrust Bank, Atlanta
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

By:_____
Name: Martha R. Ingram
Title: Co-Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

TRUST FOR DAVID B. INGRAM, UNDER AGREEMENT WITH HORTENSE B. INGRAM DATED DECEMBER 22, 1975

By: SUNTRUST BANK, ATLANTA, Trustee

By:_____
Name:
Title:
Address: SunTrust Bank, Atlanta
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

THE DAVID B. INGRAM IRREVOCABLE TRUST DATED JULY 9, 1992

By: ROY E. CLAVERIE, as Trustee

By:_____
Name: ROY E. CLAVERIE
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

TRUST FOR THE BENEFIT OF DAVID B. INGRAM ESTABLISHED BY MARTHA R. RIVERS UNDER AGREEMENT OF TRUST ORIGINALLY DATED APRIL 30, 1982, AS AMENDED

By: ROY E. CLAVERIE, as Trustee

By:_____
Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

DAVID AND SARAH INGRAM FAMILY 1996 GENERATION SKIPPING TRUST

By: THOMAS H. LUNN, AS TRUSTEE

By:_____
Name: Thomas H. Lunn
Title: Trustee
Address: 509 Sugartree Lane
Franklin, TN 37064

TRUST FOR ROBIN BIGELOW INGRAM, UNDER AGREEMENT WITH E. BRONSON INGRAM DATED OCTOBER 27, 1967

By: SUNTRUST BANK, ATLANTA MARTHA R. INGRAM AND FREDERIC B. INGRAM, AS CO-TRUSTEES

By:_____
Name:_____
Title:_____
Address: SunTrust Bank, Atlanta
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

By:_____
Name: Martha R. Ingram
Title: Co-Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

By:_____
Name: Frederic B. Ingram
Title: Co-Trustee
Address: 813 Greenway Dr.
Beverly Hills, CA 90210

TRUST FOR ROBIN BIGELOW INGRAM, UNDER AGREEMENT WITH E. BRONSON INGRAM DATED JUNE 14, 1968

By: SUNTRUST BANK, ATLANTA AND MARTHA R. INGRAM, AS CO-TRUSTEES

By:_____
Name:_____
Title:_____
Address: SunTrust Bank, Atlanta
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

By:_____
Name: Martha R. Ingram
Title: Co-Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

TRUST FOR ROBIN BIGELOW INGRAM, UNDER AGREEMENT WITH HORTENSE B. INGRAM DATED DECEMBER 22, 1975

By: SUNTRUST BANK, ATLANTA, Trustee

By:_____
Name:_____
Title:_____
Address: SunTrust Bank, Atlanta
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

THE ROBIN INGRAM PATTON IRREVOCABLE TRUST DATED JULY 9, 1992

By: ROY E. CLAVERIE, as Trustee

By:_____
Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

TRUST FOR THE BENEFIT OF ROBIN B. INGRAM ESTABLISHED BY MARTHA R. RIVERS UNDER AGREEMENT OF TRUST ORIGINALLY DATED APRIL 30, 1982, AS AMENDED

By: ROY E. CLAVERIE, as Trustee

By:_____
Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

EXHIBIT A

Attribution of Approving Voting Power

1. With respect to any vote pursuant to Section 2.5, and as of any given date, Martha R. Ingram shall be attributed and entitled to cast a number of votes equal to the Outstanding Voting Power of all Micro Common Shares owned by Trust for John Rivers Ingram, under an Agreement with E. Bronson Ingram dated June 14, 1968, plus the Outstanding Voting Power of all Micro Common Shares owned by Trust for David B. Ingram, under an Agreement with E. Bronson Ingram dated October 27, 1967, plus the Outstanding Voting Power of all Micro Common Shares owned by Trust for the Benefit of David Bronson Ingram, dated June 14, 1968, plus the Outstanding Voting Power of all Micro Common Shares owned by Trust for Robin Bigelow Ingram, under an Agreement with E. Bronson Ingram dated June 14, 1968.

2. With respect to any vote pursuant to Section 2.5, and as of any given date, Orrin H. Ingram, II shall be attributed and entitled to cast a number of votes equal to twenty-five percent (25%) of the Outstanding Voting Power of all Micro Common Shares owned by E. Bronson Ingram 1994 Charitable Lead Annuity Trust.

3. With respect to any vote pursuant to Section 2.5, and as of any given date, John R. Ingram shall be attributed and entitled to cast a number of votes equal to twenty-five percent (25%) of the Outstanding Voting Power of all Micro Common Shares owned by E. Bronson Ingram 1994 Charitable Lead Annuity Trust.

4. With respect to any vote pursuant to Section 2.5, and as of any given date, David B. Ingram shall be attributed and entitled to cast a number of votes equal to twenty-five percent (25%) of the Outstanding Voting Power of all Micro Common Shares owned by E. Bronson Ingram 1994 Charitable Lead Annuity Trust.

5. With respect to any vote pursuant to Section 2.5, and as of any given date, Robin B. Ingram Patton shall be attributed and entitled to cast a number of votes equal to twenty-five percent (25%) of the Outstanding Voting Power of all Micro Common Shares owned by E. Bronson Ingram 1994 Charitable Lead Annuity Trust.

EXHIBIT B

FORM OF AGREEMENT TO BE BOUND

[DATE]

To the Parties to the Board Representation Agreement
Dated as of _____, ____

Ladies and Gentlemen:

Reference is made to the Board Representation Agreement (the "Agreement") dated as of _____ among Ingram Micro Inc. and the Persons listed on the signature pages thereof.

In consideration of the transfer to the undersigned of Micro Common Shares (as defined in the Agreement), the undersigned hereby confirms and agrees to be bound by all of the provisions of the Agreement applicable to the transferor.

This letter shall be construed and enforced in accordance with the laws of the State of Delaware without regard to the conflicts of law rules of such state.

Very truly yours,

Permitted Transferee

EXHIBIT 10.17

Tax Sharing and Tax Services Agreement

This Agreement is entered into the day of , 1996, by and among Ingram Industries Inc. ("Industries"), Ingram Entertainment Inc. ("Entertainment") and Ingram Micro Inc. ("Micro") (Entertainment and Micro are sometimes hereinafter referred to collectively as the "Subsidiaries" and individually as a "Subsidiary").

WHEREAS, Industries is the common parent corporation of an affiliated group of corporations (the "Affiliated Group") within the meaning of section 1504(a) of the Internal Revenue Code of 1986, as amended (the "Code"), which files consolidated federal income tax returns ("Consolidated Federal Returns");

WHEREAS, the Subsidiaries are currently wholly-owned subsidiaries of Industries and members of the Affiliated Group;

WHEREAS, Industries files consolidated, combined or unitary state income tax returns (collectively, "Consolidated State Returns") in certain states for groups of corporations which include the Subsidiaries;

WHEREAS, Industries is distributing all of its stock in each of the Subsidiaries to certain of the shareholders of Industries in split-off transactions (each, a "Split-off" and together, the "Split-offs");

WHEREAS, the parties hereto desire to set forth their agreement concerning the manner in which various matters relating to federal state and foreign taxes based upon income (collectively, "Income Taxes") will be handled after the dates of the Split-offs;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

1. Termination of Other Income Tax Sharing Agreements. Any existing Income Tax sharing agreements or arrangements, whether written or unwritten, between Industries and a Subsidiary shall terminate on the date of the Split-off of such Subsidiary, (the "Subsidiary's Split-off Date"), and this Agreement shall thereafter constitute the sole Income Tax sharing agreement between Industries and such Subsidiary.

2. Filing of Income Tax Returns and Payment of Tax Liability.

(a) Federal Income Tax Returns.

(i) Return for Affiliated Group. Industries will prepare and file the Consolidated Federal Return for the Affiliated Group for the taxable year which includes a Subsidiary's Split-off Date.

(ii) Separate Federal Income Tax Returns. Industries shall prepare on behalf of each Subsidiary, in consideration of a fee to be negotiated by the parties, a separate federal income tax return for the short taxable year of such Subsidiary which begins immediately after such Subsidiary's Split-off Date.

(b) State Income Tax Returns.

(i) Consolidated State Income Tax Returns. Industries shall prepare and file state income tax returns for the taxable year which includes a Subsidiary's Split-off Date for those states in which Consolidated State Returns are filed.

(ii) Separate State Income Tax Returns. With respect to those states in which a Subsidiary files a separate income tax return, Industries shall prepare on behalf of such Subsidiary, in consideration of a fee to be negotiated by the parties, an income tax return for the taxable year of the Subsidiary which includes such Subsidiary's Split-off Date. With respect to those states in which Consolidated State Returns are filed in accordance with Section 2(b)(i) above, Industries shall prepare on behalf of each Subsidiary, in consideration of a fee to be negotiated by the parties, a separate income tax return for the short taxable year of the Subsidiary which begins immediately after such Subsidiary's Split-off Date.

(c) In preparing the Consolidated Federal Return and any Consolidated State Returns for the taxable period which includes a Subsidiary's Split-off Date, the items attributable to such Subsidiary for the portion of such taxable period ending on the Subsidiary's Split-off Date shall be determined by closing the books of the Subsidiary as of the Subsidiary's Split-off Date. All such returns shall be prepared using the same procedures and on the same basis as returns for prior periods, except as the parties hereto may otherwise agree.

(d) Payment of Tax.

(i) Consolidated Federal and State Returns. Within thirty (30) days after the Consolidated Federal Return and each Consolidated State Return for the taxable year which includes a Subsidiary's Split-off Date is filed, Industries shall notify such Subsidiary of the amount of the tax

liability reflected on such return which is allocable to such Subsidiary. Such Subsidiary shall pay to Industries, within ten (10) days after the date of such notice, the excess of the amount of tax liability reflected on such tax return which is allocable to the Subsidiary over the amount previously paid by such Subsidiary to Industries with respect to the Subsidiary's tax liability for such taxable year, together with interest, at the intercompany rate of interest determined by Industries' Treasury Department (the "Inter-Company Rate") for such period, on such excess amount for the period from the date the tax return is filed until the date of payment by the Subsidiary. In the event that the amount of tax liability reflected on such tax return which is allocable to the Subsidiary is less than the amount previously paid by such Subsidiary to Industries with respect to the Subsidiary's tax liability for such taxable year, Industries shall pay such Subsidiary the difference, together with interest at the Inter-Company Rate on such amount for the period from the date the tax return is filed until the date of payment to the Subsidiary; provided, however, that interest shall only be paid to the extent such Subsidiary's overpayment was used to fund an underpayment by Industries or another Subsidiary or interest on such overpayment was actually received from the relevant taxing authority. Industries shall allocate the tax liability reflected on the Consolidated Federal Return and each Consolidated State Return in accordance with the method prescribed in Treas. Reg. Section 1.1552-1(a)(3).

(ii) Separate Federal and State Returns. Each Subsidiary shall be responsible for the payment of any Income Tax liability reflected on the Separate Income Tax returns prepared by Industries on behalf of such Subsidiary pursuant to Sections 2(a)(ii) and 2(b)(ii) of this Agreement.

3. Subsequent Adjustments.

(a) In the event that adjustments are made to a Consolidated Federal Return, a Consolidated State Return or a foreign or separate state Income Tax return of Industries or a Subsidiary for any taxable year or portion thereof ending on or before the date of the Split-off of Micro (the "Micro Split-off Date"), whether by reason of an audit, amended return or otherwise, and such adjustments result in an increase in the Income Tax liability for such taxable period, the responsibility for the payment of such increase in Income Tax liability and any interest, penalties, or additions to tax imposed with respect to such increase (collectively, a "Deficiency") shall, except as provided Section 3(c) and Section 4(b) below, be determined in the following manner:

(i) The amount of a Deficiency shall first be offset against and reduce the amount reflected in the reserve for taxes recorded on the books of Industries as of the Micro Split-off Date (the "Reserve"). Industries shall be responsible for payment of the amount of such Deficiency which is offset against the Reserve in accordance with this Section 3(a)(i).

(ii) To the extent that the amount of a Deficiency exceeds the balance in the Reserve (after giving effect to any prior reduction in the Reserve made pursuant to this Agreement), the parties hereto shall be responsible for the payment of the amount of such excess in the following proportions:

Industries	23.01 percent
Micro	72.84 percent
Entertainment	4.15 percent;

(iii) Provided, however, that in the event that a Deficiency involves a timing issue and results in a decrease in income or an increase in a deduction, credit or other tax attribute (an "Offsetting Adjustment") for a taxable period or portion thereof beginning after the Micro Split-off Date, the amount of the Deficiency to be taken into account for purposes of applying Sections 3(a)(i) and 3(a)(ii) above shall be reduced by the present value (using a discount rate equal to 10 percent) of the tax benefit (based on the applicable maximum corporate tax rate in effect on the date of such adjustment) which will result from the Offsetting Adjustment and the Subsidiary benefiting from such Offsetting Adjustment shall pay 100 percent of the foregoing reduction in the Deficiency.

(b) In the event that a Deficiency is imposed with respect to a Consolidated Federal Return or Consolidated State Return, or a foreign or a separate state Income Tax Return of Entertainment, and any portion of such Deficiency is attributable to items of Entertainment for the period beginning immediately after the Micro Split-off Date and ending on the date of the Split-off of Entertainment (the "Interim Period"), such portion of the Deficiency (the "Interim Period Deficiency") shall first be offset against and reduce the amount reflected in the reserve for taxes recorded on the books of Industries for the Interim Period (the "Interim Period Reserve"), which shall be established using the same procedures and on the same basis as in prior periods. Industries shall be responsible for payment of the amount of any Interim Period Deficiency which is offset against the Interim Reserve pursuant to this Section 3(b). To the extent that the Interim Period Deficiency exceeds the balance in the Interim Period Reserve (after giving effect to any prior reduction in the Interim Period Reserve made under this Agreement), Entertainment shall be solely responsible for the payment of the amount of such excess.

(c) Notwithstanding the provisions of Section 3(a) or 3(b), (i) if either the Split-off of Micro or the Split-off of Entertainment fails to qualify for tax-free treatment under Section 355 of the Code as the result of the breach by one of Industries, Micro or Entertainment of a representation or covenant contained in Section 6.2 or Section 6.3 of the

Amended and Restated Exchange Agreement dated September 4, 1996, as amended and restated on October 17, 1996 (the "Exchange Agreement"), to which Industries and the Subsidiaries are parties, the responsibility for the payment of any resulting Deficiency shall be borne solely by the corporation which committed such breach; and in the event the Deficiency results from the breach by more than one of the corporations of such representations or covenants, the responsibility for the payment of the Deficiency shall be shared by each of the corporations which committed such breach in the proportion which the percentage specified for such corporation in Section 3(a)(ii) bears to the sum of the percentages specified therein for each of the corporations which committed such breach; and (ii) if a Deficiency is attributable to a transaction, other than the Split-offs, which was consummated pursuant to the Amended and Restated Reorganization Agreement dated September 4, 1996, as amended and restated on October 17, 1996 (the "Reorganization Agreement"), among Industries, Micro and Entertainment, the responsibility for the payment of such Deficiency shall be borne 23.01 percent by Industries, 72.84 percent by Micro and 4.15 percent by Entertainment, as determined after the application of the procedures set forth in Section 3(a)(iii), if appropriate.

(d) In the event that the Split-off of Entertainment fails to qualify for tax-free treatment under Section 355 of the Code and Section 3(c)(i) of this Agreement is not applicable, the amount of the resulting Deficiency shall first be offset against and reduce the amount reflected in the Interim Reserve and, to the extent that such Deficiency exceeds the balance in the Interim Reserve (after giving effect to any prior reduction in the Interim Reserve made under this Agreement), shall then be offset against and reduce the balance reflected in the Reserve (after giving effect to any prior reduction in the Reserve made under this Agreement); provided, however, that no such offset against and reduction of the Reserve shall be permitted if (i) the Split-off of Entertainment was not completed in accordance with the provisions of the Exchange Agreement and the Reorganization Agreement, or (ii) the facts and circumstances of the Split-off of Entertainment differed in any material respect from the description thereof (including the representations relating thereto) set forth in the private letter ruling dated October 16, 1996 from the Internal Revenue Service regarding the Split-offs unless a supplemental private letter ruling reasonably satisfactory to Micro addressing any such differences is obtained prior to such Split-off. Industries shall be responsible for the payment of the amounts of such resulting Deficiency which are offset against the Interim Reserve and the Reserve in accordance with this Section 3(d). To the extent that the amount of the resulting Deficiency exceeds the amount offset against the Interim Reserve and the Reserve under this Section 3(d), the responsibility for the payment of such excess amount shall be borne 23.01 percent by Industries, 72.84 percent by Micro and 4.15 percent by Entertainment. In all other instances, the Deficiency shall be borne 84.72 percent by Industries and 15.28 percent by Entertainment.

4. Refunds.

(a) In the event that a refund of Income Tax (other than a refund attributable to a carryback of a loss or tax credit) is received by Industries with respect to a Federal Consolidated Return or a State Consolidated Return for any taxable year or portion thereof ending on or before a Subsidiary's Split-off Date, the portion of such refund which is attributable to items of a Subsidiary shall be promptly paid by Industries to such Subsidiary, together with any interest received on such portion; provided, however, that in the event that a refund is received with respect to an amount of a Deficiency which was paid by Industries or a Subsidiary in accordance with Section 3 above, Industries and each Subsidiary shall be entitled to the portion of such refund, together with interest thereon, which is the same as the proportion of the Deficiency which was paid by such party.

(b) In the event that a Subsidiary has a net operating loss, net capital loss or credits against tax for a taxable year beginning after such Subsidiary's Split-off Date which, under applicable federal or state law, may be carried back to a Consolidated Federal Return or State Consolidated Return for a taxable period or portion thereof of the Subsidiary which ends on or before such Subsidiary's Split-off Date, Industries shall pay to such Subsidiary, within ten (10) days of the receipt of such refund, the amount of the Income Tax benefit actually received by the Affiliated Group or the applicable state consolidated, combined or unitary group, as the case may be, as a result of such carryback. The tax benefit received as a result of a carryback shall be considered to be equal to the excess of (i) the Income Taxes which would have been payable for the taxable period to which the loss or credit is carried in the absence of such carryback over (ii) the Income Taxes actually payable for such period after taking such carryback into effect. In the event that any portion of a carryback is disallowed following payment to a Subsidiary of the tax benefit received from such carryback, the Subsidiary shall repay to Industries the amount which would not have been payable to the Subsidiary hereunder if only the portion of the carryback actually allowed had been taken into account.

5. Allocation of Items. In the case of an assessment or refund which is imposed or received with respect to an Income Tax Refund filed for a taxable period that includes but does not end on a Subsidiary's Split-off Date, the amount of the assessment or refund which relates to the portion of the taxable period ending on such Subsidiary's Split-off Date shall be determined by allocating the items to which the assessment or refund relates to the date on which such items are properly taken into account for Income Tax purposes, and in the case of any item which cannot be allocated to a specific date, by ratably allocating such item between the portion of the taxable period ending on such Subsidiary's Split-off Date and the portion of the taxable period beginning immediately after such Subsidiary's Split-off Date based on the number of days in such respective portions.

6. Certain Changes. Following a Subsidiary's Split-off Date, neither Industries nor such Subsidiary shall, without the prior written consent of the other parties to this Agreement, make or change any Income Tax election, adopt or change any accounting method, file any amended Income Tax Return or agree to or settle any claim, proposed adjustment or assessment if such action would result in an increase in Income Tax liability or a reduction in any deduction, credit, loss or other Income Tax attribute for any taxable period or portion thereof of Industries or such Subsidiary which ends on or before such Subsidiary's Split-off Date.

7. Deductions Related to Options. It is agreed by the parties that where an option to purchase stock of Industries which is held by an employee of Industries or Entertainment is converted in connection with the Micro Split-off into an option to purchase stock of Micro, and Micro issues its stock to such employee pursuant to the exercise of the converted option, then, to the extent that Industries or Entertainment is entitled to an Income Tax deduction for the amount of compensation which results to the employee from exercise of the converted option, Industries or Entertainment shall pay to Micro the amount of the tax benefit received by such corporation from the compensation deduction.

8. Contests. Industries shall have the right to control any audit, administrative or judicial proceeding involving a claim, proposed adjustment, assessment or other contest with respect to a Consolidated Federal Return, Consolidated State Return, or a separate Income Tax return filed by Industries or a Subsidiary for any taxable period or portion thereof ending on or prior to such Subsidiary's Split-off Date, and Industries shall have the right to determine when to settle such claim, adjustment, assessment or contest; provided, however, that Industries shall consult with a Subsidiary regarding any such proceeding to the extent that such proceeding may affect the tax liability of such Subsidiary for a taxable period or portion thereof beginning after such Subsidiary's Split-off Date and shall obtain the consent of a Subsidiary, which consent shall not be unreasonably withheld, to any proposed settlement if such settlement would increase the tax liability of such Subsidiary for a taxable period or portion thereof beginning after such Subsidiary's Split-off Date. The legal fees and other expenses incurred by Industries in connection with any such proceeding shall be borne 23.01 percent by Industries, 72.84 percent by Micro and 4.15 percent by Entertainment for proceedings related to periods ending on or before the Micro Split-off Date. For proceedings relating to the Interim Period, any such fees and expenses shall be borne 84.72 percent by Industries and 15.28 percent by Entertainment. Industries shall allow a Subsidiary and its counsel to participate in any such proceeding to the extent that the proceeding relates to such Subsidiary, and the legal fees and other expenses incurred by a Subsidiary in this regard shall be borne by the parties in the same proportions set forth in the immediately preceding sentence.

9. Cooperation and Assistance. Industries and each Subsidiary agree to provide each other with such cooperation and information as either of them may reasonably request in connection with the preparation of Income Tax returns, amended returns, claims for refunds or other income tax filings or the conduct of any audit, administrative or judicial proceeding relating to Income Taxes. Industries and each Subsidiary further agree to retain all books, records, documents, accounting data or other information which relate to Income Tax returns for taxable periods ending on or prior to or which include such Subsidiary's Split-off Date, until the expiration of the applicable statute of limitations (giving effect to any extension, waiver or mitigation thereof).

10. Governing Law. This Agreement shall be construed under and governed by the laws of the State of Tennessee.

11. Headings. The headings contained in this Agreement are for reference only and shall not affect in any way the meaning or interpretation of this Agreement.

12. Entire Agreement; Amendment; Waiver. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and may not be altered or amended except in writing signed by the parties. The failure of a party hereto at any time to require the performance of any provision hereunder shall in no manner affect the right to enforce the same. No waiver by any party hereto of any condition, or of the breach of any provision of this Agreement shall be deemed or construed as a further or continuing waiver of any such condition or of the breach of any other provision herein contained.

13. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement shall not be construed so as to benefit any person other than the parties hereto and such successors and assigns.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the date first written above.

INGRAM INDUSTRIES INC.

By: _____

Title: _____

INGRAM ENTERTAINMENT INC.

By: _____

Title: _____

INGRAM MICRO HOLDINGS INC.

By: _____

Title: _____

EXHIBIT 10.18

MASTER SERVICES AGREEMENT

AGREEMENT dated as of [ ], 1996,(1) between Ingram Industries Inc., a Tennessee corporation ("Industries") and Ingram Micro Inc., a Delaware corporation ("Micro").

In consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

ARTICLE 1

PERFORMANCE OF SERVICES

SECTION 1.1. Provision of Services. (a) On the terms and subject to the conditions of this Agreement, during the term of this Agreement Industries agrees to provide to Micro and its Subsidiaries, or procure the provision to Micro and its Subsidiaries of, and Micro (on behalf of itself and its Subsidiaries) agrees to purchase from Industries, the services described on the Schedules attached hereto (the "Services"), including without limitation Services in connection with the administration of certain employee benefit plans and arrangements set forth on such Schedules (the "Plans"). Notwithstanding anything herein to the contrary, Industries shall only perform Services involving the administration of the Micro Thrift Plan (as defined in the Employee Benefits Transfer and Assumption Agreement dated as of [ ], 1996 among the parties hereto) upon the written request of Micro (or an appropriate committee designated thereby) and on the condition that the terms of the Micro Thrift Plan are acceptable to Industries. Unless otherwise specifically agreed by the parties, the Services to be provided or procured by Industries hereunder shall be substantially similar in scope, quality and nature to those provided to, or procured on behalf of, Micro and its Subsidiaries prior to the date hereof.

_____

(1) To be dated the Closing Date under the Exchange Agreement.

(b) Any administration of the Plans by Industries pursuant to the terms hereof shall be subject to applicable regulatory requirements and the terms of the governing plan documents as interpreted by the appropriate plan fiduciaries. The parties shall cooperate fully with each other in the administration and coordination of regulatory and administrative requirements associated with the Plans. Such coordination, upon request, will include (but not be limited to) the following: sharing payroll data for determination of highly compensated associates, providing census information (including accrued benefits) for purposes of running discrimination tests, providing actuarial reports for purposes of determining the funded status of any plan, review and coordination of insurance and other independent third party contracts, and providing for review of all summary plan descriptions, requests for determination letters, insurance contracts, Forms 5500, financial statement disclosures and plan documents.

SECTION 1.2. Service Fees; Expenses. (a) The Schedules hereto indicate, with respect to each Service listed thereon, the method by which fees (the "Service Fees") to be charged to Micro for such Service will be determined. Micro agrees to pay to Industries in the manner set forth in Section 1.3 the Service Fees applicable to each of the Services provided by Industries to Micro (and its Subsidiaries) pursuant to the terms hereof.

(b) In addition to any other amounts payable to Industries hereunder, Micro shall reimburse Industries in the manner set forth in Section 1.3 for (i) all out-of-pocket expenses (including without limitation travel expenses, professional fees, printing and postage) incurred by Industries in connection with the performance of Services pursuant to this Agreement, to the extent that such expenses have not already been taken into account in determining the Service Fees applicable to such Services and (ii) without duplication, all costs and expenses (including without limitation any contributions, premium costs and third-party expenses), incurred by Industries in connection with its administration of the Plans.

(c) In addition to any other amounts payable to Industries hereunder, Micro shall reimburse Industries in the manner set forth in Section 1.3 for any taxes, excises, imposts, duties, levies, withholdings or other similar charges (excepting any charges for taxes due on Industries' income) that Industries and its Subsidiaries may be required to pay on account of Micro (and its Subsidiaries) in connection with the performance of Services or with respect to payments made by Micro for such Services pursuant to this Agreement.

SECTION 1.3. Invoicing and Settlement of Costs. (a) Industries will deliver an invoice to Micro on a monthly basis (not later than the fifth day of each accounting month) for (i) Service Fees in respect of Services provided during the prior accounting month to Micro (and its Subsidiaries) and (ii) other amounts owing to Industries pursuant to Section 1.2. Except as otherwise provided in this Agreement, each such invoice will be prepared and delivered in a manner substantially consistent with the billing practices used in connection with services provided to

Micro prior to the date hereof; provided that each such invoice shall (A) provide sufficient detail to identify each Service, the fee therefor and the method of calculating such fee, (B) identify all third party costs included in the invoice to the extent specifically billed and (C) include such other data as may be reasonably requested by Micro. In addition, Micro shall have the right to examine any and all books and records as it reasonably requests in order to confirm and verify the calculation of the amount of any payment pursuant to this Section and Industries shall cooperate in any reasonable manner in such examination as Micro shall request.

(b) Payment (including payment of any amounts disputed pursuant to Section 1.3(c)) of each invoice shall be due from Micro on the day (or the next business day, if such day is not a business day) that is the later of (i) the third day prior to the end of the accounting month in which such invoice was received and (ii) the tenth day after the receipt of such invoice (each, a "Payment Date"), by wire transfer of immediately available funds payable to the order of Industries. If Micro fails to make any payment within 30 days of the relevant Payment Date, the party that has failed to make such payment shall be obligated to pay, in addition to the amount due on such Payment Date, interest on such amount at the prime, or best rate announced by Nationsbank of Texas, N.A. per annum compounded annually from the relevant Payment Date through the date of payment.

(c) In the event that Micro disputes any charges invoiced by Industries pursuant to this Agreement, Micro shall deliver a written statement describing the dispute to Industries within 15 days following receipt of the disputed invoice. The statement shall provide a sufficiently detailed description of the disputed items. The parties hereto shall use their best efforts to resolve any such disputes. Amounts not so disputed shall be deemed accepted. Disputed amounts resolved in favor of Micro (together with interest on such amounts at the prime, or best rate announced by Nationsbank of Texas, N.A. per annum compounded annually from the date such disputed amounts were paid to Industries to the next relevant Payment Date) shall be credited against payments owing by Micro to Industries on the next relevant Payment Date.

(d) Unless otherwise specified on the Schedules hereto, in the event that the actual utilization of a Service is less than the period specified on such Schedules with respect to such Service, then the Service Fees for such Service shall be prorated on the basis of actual utilization of such Service; provided that the monthly charges shall not be prorated on any period of time less than one day, the per diem charge shall not be prorated on any period of time less than one-half day, and the hourly charges shall not be prorated on any period of time less than one hour.

SECTION 1.4. Term. (a) The term of this Agreement shall commence on the date hereof and shall end on December 31, 1996 (or, with respect to payroll services provided to Micro, on December 31, 1997), unless earlier terminated pursuant to the terms hereof. The provisions of Section 1.2 (with respect to amounts accrued prior to such termination) shall survive any termination of this Agreement.

(b) At any time, Micro may request Industries to discontinue performing all or any portion of the Services upon 45 days' prior written notice.

SECTION 1.5. Limited Warranty. Industries will provide the Services hereunder in good faith, with the care and diligence that it exercises in the performance of such services for its divisions and Subsidiaries. Micro hereby acknowledges that Industries does not regularly provide to third parties services such as the Services as part of its business and that, except as set forth in Section 1.1 or in this Section 1.5, Industries does not otherwise warrant or assume any responsibility for its Services. The warranty stated above is in lieu of and exclusive of all other representations and warranties of any kind whatsoever. EXCEPT AS STATED ABOVE, THERE ARE NO WARRANTIES RELATING TO THE SERVICES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

SECTION 1.6. Performance Remedy. In the event that Industries fails to provide a Service hereunder, or the quality of a Service is not in accordance with Section 1.1 or Section 1.5, Micro may give Industries prompt written notice thereof. Industries will then have thirty days to cure the defective Service. If after such period Industries has failed to cure the defective Service, Micro may seek an alternative provider for such Service and Industries shall discontinue performing such Service at the written request of Micro. Micro shall be liable to Industries for any Service performed by Industries after Industries has been given written notice of termination of such Service pursuant to this Section 1.6, except for any out-of-pocket costs incurred by Industries in connection with the cessation of such Services or the transfer of such Services back to Micro or its designees. Except as otherwise expressly provided in Article 2, the provisions of this Section 1.6 will provide the exclusive remedy for any misrepresentation, breach of warranty, covenant or other agreement or other claim arising out of this Agreement or the Services to be performed hereunder.

ARTICLE 2

INDEMNIFICATION

SECTION 2.1. Limitation of Liability. Micro agrees that none of Industries, any of its Subsidiaries or any of their respective directors, officers, agents and employees (each, an "Industries Indemnified Person") shall have any liability, whether direct or indirect, in contract,

tort or otherwise, to Micro arising out of or attributable to the performance or nonperformance of Services pursuant to this Agreement.

SECTION 2.2. Indemnification. (a) Micro agrees to and does hereby indemnify and hold each Industries Indemnified Person harmless from and against any and all damage, loss, liability and expense (including without limitation reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, claim, suit or proceeding, including any expenses incurred in connection with the enforcement of the rights of such Industries Indemnified Person pursuant to this Agreement) to which such Industries Indemnified Person may be subjected as a result of a claim made by a third party arising out of or attributable, directly or indirectly, (i) to the performance or nonperformance for Micro of any Services or (ii) otherwise in connection with this Agreement.

(b) The parties agree to follow the procedures set forth in Section 5.3(a) and 5.3(b) of the Amended and Restated Reorganization Agreement dated as of September 4, 1996, as amended and restated as of October 17, 1996, among the parties hereto and Ingram Entertainment Inc. with respect to any claim for indemnification made pursuant to this Section 2.2.

SECTION 2.3. Ownership of Work Product. (a) Except for the data provided by Micro to Industries and the reports produced by Industries for Micro pursuant to this Agreement, all proprietary tools and methodologies and all written material including programs, tapes, listing and other programming documentation which were preexisting or originated and prepared by Industries pursuant to this Agreement shall belong to Industries except as otherwise agreed by the parties in a separate written agreement signed by each party.

(b) No license under any trade secrets, copyrights, or other rights is granted by this Agreement or any disclosure hereunder.

(c) Micro shall have reasonable access to all data, records, files, statements, records, invoices, billings, and other information generated by or in custody of Industries relating to the Services provided pursuant to this Agreement. Unless otherwise specified by Micro or required by law, Industries shall maintain all such business records pertaining to the Services and will retain the records pertaining to each Service for a period of twelve months after the cessation of such Service. At the request of Micro, Industries shall provide copies of records pertaining to the Services.

ARTICLE 3

GENERAL PROVISIONS

SECTION 3.1. Parties. Nothing in this Agreement, express or implied, is intended to confer upon any person not a party any rights and remedies hereunder.

SECTION 3.2. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to its conflict of laws provisions.

SECTION 3.3. Headings. The Section and other headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

SECTION 3.4. Entire Agreement. This Agreement constitutes the entire agreement between the parties in respect of the subject matter contained herein and neither this Agreement nor any term or provision hereof may be amended or waived except by an instrument in writing signed, in the case of an amendment, by each party and, in the case of a waiver, by the party against whom the waiver is to be effective.

SECTION 3.5. Assignments. This Agreement shall not be assignable by either party without the written consent of the other parties hereto. No assignment of any right or benefit hereunder shall relieve any obligation of the assignor hereunder without the written consent of the other parties.

SECTION 3.6. Notices. Any notice, request, instruction or other document to be given hereunder by either party hereto to the other party hereto shall be in writing (including telecopier or similar writing) and shall be given to such party at its address set forth on the signature pages hereof, or to such other address as the party to whom notice is to be given may provide in a written notice to the party giving such notice, a copy of which written notice shall be on file with the Secretary of Industries. Each such notice, request or other communication shall be effective (i) if given by telecopy, when such telecopy is transmitted to the telecopy number specified on the signature pages hereof and the appropriate confirmation is received, (ii) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid addressed as aforesaid or (iii) if given by any other means, when delivered at the address specified in this Section 3.6.

SECTION 3.7. Definitions. Terms used but not defined herein shall have the meanings set forth in the Amended and Restated Reorganization Agreement dated as of September 4, 1996, as amended and restated as of October 17, 1996 among the parties hereto and Ingram Entertainment Inc.

SECTION 3.8. Severability. The invalidity or

unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of this Agreement, including any such provision, in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

SECTION 3.9. Independent Contractors. The parties hereto are independent contractors. Nothing in this Agreement is intended or shall be deemed to constitute a partnership, agency, franchise or joint venture relationship between the parties. No party shall incur any debts or make any commitments for the others, except to the extent, if at all, specifically provided herein.

SECTION 3.10. Remedies. The parties hereby acknowledge and agree that in the event of any breach of this Agreement, the parties would be irreparably harmed and could not be made whole by monetary damages. Each party hereto agrees (i) not to assert by way of defense or otherwise that a remedy at law would be adequate, and (ii) in addition to any other remedy to which the parties may be entitled, that the remedy of specific performance of this Agreement is appropriate in any action in court.

SECTION 3.11. Consent to Jurisdiction. Each party hereto irrevocably submits to the non-exclusive jurisdiction of any Tennessee State Court or United States Federal Court sitting in the Middle District of Tennessee over any suit, action or proceeding arising out of or relating to this Agreement. Each party hereto waives any right it may have to assert the doctrine of forum non conveniens or to object to venue to the extent any proceeding is brought in accordance with this Section 3.11. Nothing in this paragraph shall affect or limit any right to serve process in any manner permitted by law, to bring proceedings in the courts of any jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

SECTION 3.12. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

INGRAM INDUSTRIES INC.

By:_____
Name:
Title:
One Belle Meade Place
4400 Harding Road
Nashville, TN 32705
Telecopy: (615) 298-8242

INGRAM MICRO INC.

By:_____
Name:
Title:
1600 East Saint Andrew Place
Santa Ana, CA 92705
Telecopy: (714) 566-7900

EMPLOYEE BENEFITS TRANSFER and ASSUMPTION AGREEMENT

AGREEMENT dated as of [ ], 1996,(1) among Ingram Industries Inc., a Tennessee corporation ("Industries"), Ingram Micro Inc., a Delaware corporation ("Micro"), and Ingram Entertainment Inc., a Tennessee corporation ("Entertainment" and, together with Industries and Micro, the "Ingram Companies").

NOW, THEREFORE, it is agreed as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. (a) The following terms, as used herein, shall have the following meanings:

"Code" means the Internal Revenue Code of 1986, as amended, and the rules and regulations thereunder.

"Employee Benefit Plan" means any "employee benefit plan" (as defined in Section 3(3) of ERISA) maintained at any time by any of the Ingram Companies or their Subsidiaries.

"Entertainment Employees" means those individuals listed on the payroll records of Entertainment or any Subsidiary thereof immediately after the Second Closing.

"Entertainment Group" means all Entertainment Employees and Entertainment Retirees, including their respective beneficiaries.

"Entertainment Retiree" means each individual who was employed by Entertainment or any Subsidiary thereof immediately prior to such individual's retirement or other termination of employment from all Ingram Companies and their Subsidiaries or is otherwise listed on Schedule 3 as an Entertainment Retiree.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations thereunder.

"Exchange Agreement" means the Amended and Restated Exchange Agreement dated as of September 4, 1996, as amended and restated as of October 17, 1996, among the Ingram Companies and the other persons listed on the signature pages thereof.

_____

(1) To be dated the First Closing Date under the Exchange Agreement.

"First Closing" and "First Closing Date" shall have the meanings ascribed thereto in the Exchange Agreement.

"Industries Employees" means those individuals listed on the payroll records of Industries or any Subsidiary thereof immediately after the First Closing.

"Industries Equity-Based Plans" means the plans identified as such on Schedule 6 hereto.

"Industries Group" means all Industries Employees and Industries Retirees, including their respective beneficiaries.

"Industries Retiree" means each individual who was employed by Industries or any Subsidiary thereof immediately prior to such individual's retirement or other termination of employment from all Ingram Companies and their Subsidiaries and who is not otherwise a member of the Micro Group or Entertainment Group.

"Micro Common Stock" means shares of Class B common stock, par value $.01 per share, of Micro.

"Micro Employees" means those individuals listed on the payroll records of Micro or any Subsidiary thereof immediately after the First Closing.

"Micro Group" means all Micro Employees and Micro Retirees, including their respective beneficiaries.

"Micro Retiree" means each individual who was employed by Micro or any Subsidiary thereof immediately prior to such individual's retirement or other termination of employment from all Ingram Companies and their Subsidiaries or is otherwise listed on Schedule 3 as a Micro Retiree.

"Person" means an individual, corporation, limited liability company, partnership, association, trust, or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Reorganization Agreement" shall have the meaning set forth in

the Exchange Agreement.

"Second Closing" and "Second Closing Date" shall have the meanings ascribed thereto in the Exchange Agreement.

"Subsidiary" means, (i) with respect to Entertainment or Micro, any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are directly or indirectly owned by such Person immediately after the First Closing and (ii) with respect to Industries, any entity (other than Entertainment or its Subsidiaries) of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are directly or indirectly owned by Industries immediately after the First Closing.

(b) Each of the following terms is defined in the Section set forth opposite such term:

Terms	Sections
Actuarial Valuation	3.03
Entertainment Assumed Liabilities	3.04
Entertainment Indemnified Person	5.01
Entertainment Plan Participants	3.03
Entertainment Retirement Plan	3.03
Entertainment Supplemental Retirement Assets and Liabilities	3.02
Entertainment Supplemental Thrift Assets and Liabilities	3.02
Entertainment Thrift Plan	3.01
ERP Amount	3.03
ERP Transition Period	3.03
Industries Indemnified Person	5.01
Industries Retained Liabilities	3.04
Industries Retirement Plan	3.03
Industries Supplemental Executive Retirement Plan	3.02
Industries Supplemental Thrift Plan	3.02
Industries Thrift Plan	3.01
IRS	3.01
Loss	5.02
Micro Assumed Liabilities	3.04
Micro Indemnified Person	5.02
Micro Plan Participants	3.03
Micro Retirement Plan	3.03
Micro Supplemental Retirement Assets and Liabilities	3.02
Micro Supplemental Thrift Assets and Liabilities	3.02
Micro Thrift Plan	3.01
MRP Amount	3.03
MRP Transition Period	3.03
PBGC	3.03
Retained Retirement Assets and Liabilities	3.03
Retained Supplemental Assets and Liabilities	3.02
Retained Thrift Assets and Liabilities	3.01

ARTICLE II

EMPLOYEES; CERTAIN AGREEMENTS

SECTION 2.01. Employees. Subject to the terms and conditions of this Agreement, effective at the time of the First Closing, Industries, Micro and Entertainment or their respective Subsidiaries shall employ each Industries Employee, Micro Employee or Entertainment Employee, respectively. No provision of this Agreement, however, shall require any Ingram Company or any of their respective Subsidiaries to continue the employment of any of their respective employees following the First Closing.

SECTION 2.02. Certain Agreements. (a) Except as provided in Section 2.02(b), this Agreement shall not apply or be deemed to apply to the Industries Equity-Based Plans and any options, awards, grants or sales made or to be made thereunder shall not be deemed to be Micro Assumed Agreements or Entertainment Assumed Agreements.

(b) Micro shall assume all liability relating to, and be responsible for, all incentive stock units granted to Mr. Lawrence Elcheson, under the Industries Equity-Based Plans. Industries shall inform Micro on a quarterly basis of the status of such liability, including any changes thereto.

ARTICLE III

ALLOCATION OF ASSETS AND LIABILITIES

SECTION 3.01. Industries Thrift Plan. (a) (i) As soon as practicable after and effective as of the First Closing, Micro shall adopt or designate a profit-sharing plan with a salary reduction arrangement that covers the Micro Group and meets the requirements of Sections 401(a) and 401(k) of the Code ("Micro Thrift Plan"). Micro agrees that all service credited under the Ingram Thrift Plan ("Industries Thrift Plan") as of the First Closing with respect to the Micro Group shall be credited under the

Micro Thrift Plan for all plan purposes, including eligibility and vesting.

(ii) Within 30 days after the adoption or designation of the Micro Thrift Plan by Micro or as soon as practicable thereafter, Industries shall cause an amount, in cash or in kind as Industries and Micro shall agree, equivalent to the account balances of all members of the Micro Group under the Industries Thrift Plan as of the date of the transfer, to be transferred from the trust maintained under the Industries Thrift Plan to the trust maintained under the Micro Thrift Plan. Such transfer shall include the number of shares of Micro Common Stock allocable or attributable to the account balances of all members of the Micro Group. Such transfer of assets shall be made only after Micro has supplied to Industries either (A) a copy of an Internal Revenue Service ("IRS") determination letter finding the Micro Thrift Plan to be a qualified plan meeting the requirements of Sections 401(a) and 401(k) of the Code or (B) an opinion of counsel or written representation from Micro (with appropriate indemnities), in either case, to the effect that the Micro Thrift Plan has been established in accordance with the Code and ERISA, and an agreement that Micro will request a determination letter from the IRS and make any and all changes to the Micro Thrift Plan necessary to receive a favorable determination letter. Micro and Industries shall cooperate with each other during the period beginning on the date hereof and ending on the date the assets are transferred to the trust maintained under the Micro Thrift Plan to ensure the ongoing operation and administration of the Micro Thrift Plan and the Industries Thrift Plan with respect to the Micro Group.

(iii) Notwithstanding anything herein to the contrary, each transfer to the Micro Thrift Plan of shares of Micro Common Stock pursuant to this Section shall be made in compliance with the provisions of the Transfer Restrictions Agreement, if any, of even date herewith among Micro and each of the other parties thereto, including Sections 2.1 and 3.7 thereof.

(b) (i) Not later than the Second Closing, Entertainment shall adopt or designate a profit-sharing plan with a salary reduction arrangement that covers the Entertainment Group and meets the requirements of Sections 401(a) and 401(k) of the Code ("Entertainment Thrift Plan"). Entertainment agrees that all service credited under the Industries Thrift Plan as of such adoption or designation with respect to the Entertainment Group shall be credited under the Entertainment Thrift Plan for all plan purposes, including eligibility and vesting.

(ii) Within 30 days after the adoption or designation of the Entertainment Thrift Plan by Entertainment or as soon as practicable thereafter, Industries shall cause an amount, in cash or in kind as Industries and Entertainment shall agree, equivalent to the account balances of all members of the Entertainment Group under the Industries Thrift Plan as of the date of transfer to be transferred from the trust maintained under the Industries Thrift Plan to the trust maintained under the Entertainment Thrift Plan. Such transfer shall include the number of shares of Micro Common Stock allocable or attributable to the account balances of all members of the Entertainment Group. Such transfer of assets shall be made only after Entertainment has supplied to Industries either (A) a copy of an IRS determination letter finding the Entertainment Thrift Plan to be a qualified plan meeting the requirements of Sections 401(a) and 401(k) of the Code or (B) an opinion of counsel or written representation from Entertainment (with appropriate indemnities), in either case, to the effect that the Entertainment Thrift Plan has been established in accordance with the Code and ERISA, and an agreement that Entertainment will request a determination letter from the IRS and make any and all changes to the Entertainment Thrift Plan necessary to receive a favorable determination letter. Entertainment and Industries shall cooperate with each other during the period beginning on the date hereof and ending on the date the assets are transferred to the trust maintained under the Entertainment Thrift Plan to ensure the ongoing operation and administration of the Entertainment Thrift Plan and the Industries Thrift Plan with respect to the Entertainment Group.

(iii) Notwithstanding anything herein to the contrary, each transfer to the Entertainment Thrift Plan of shares of Micro Common Stock pursuant to this Section shall be made in compliance with the provisions of the Transfer Restrictions Agreement, if any, of even date herewith among Entertainment and each of the other parties thereto, including Sections 2.1 and 3.7 thereof.

(c) Industries shall retain all assets and liabilities under the Industries Thrift Plan except as otherwise provided in Section 3.01(a) and (b) ("Retained Thrift Assets and Liabilities").

SECTION 3.02. Industries Supplemental Plans. (a) All liabilities under the Ingram Supplemental Thrift Plan ("Industries Supplemental Thrift Plan") and the Ingram Industries Inc. Supplemental Executive Retirement Plan ("Industries Supplemental Retirement Plan") to the extent applicable to any member of the Micro Group and any assets allocable to such liabilities shall be transferred to and assumed by Micro as of the First Closing ("Micro Supplemental Assets and Liabilities").

(b) All liabilities under the Industries Supplemental Thrift Plan and the Industries Supplemental Retirement Plan to the extent applicable to any member of the Entertainment Group and any assets allocable to such liabilities shall be transferred to and assumed by Entertainment not later than the Second Closing ("Entertainment Supplemental Assets and Liabilities").

(c) Industries shall retain all assets and liabilities under the Industries Supplemental Thrift Plan and the Industries

Supplemental Retirement Plan except as otherwise provided in Section 3.02(a) and (b) hereof and Article 3 of the Reorganization Agreement ("Retained Supplemental Assets and Liabilities").

SECTION 3.03. Industries Retirement Plan. (a) (i) As soon as practicable after and effective as of the First Closing, Micro shall adopt or designate a defined benefit plan ("Micro Retirement Plan") that covers the members of the Micro Group listed as participants therein on Schedule 2 and Schedule 3 ("Micro Plan Participants") and meets the requirements of Section 401(a) of the Code. Micro agrees that all service credited under the Ingram Retirement Plan (as amended effective January 1, 1989 and restated December 31, 1994) ("Industries Retirement Plan") as of the First Closing with respect to the Micro Plan Participants shall be credited under the Micro Retirement Plan for all plan purposes, including eligibility, vesting and benefit accrual; provided, however, that those individuals determined to be highly compensated employees under Section 414(q) of the Code shall accrue their benefits on and after the First Closing under an unfunded defined benefit plan that is not qualified under Section 401(a) of the Code.

(ii) Within 30 days after the adoption or designation of the Micro Retirement Plan by Micro or as soon as practicable thereafter, Industries shall cause an amount in cash or in kind determined as of the First Closing pursuant to subparagraph (iii) below (the "MRP Amount"), adjusted as set forth therein, to be transferred from the trust maintained under the Industries Retirement Plan to the trust maintained under the Micro Retirement Plan. Such transfer of assets shall be made only after Micro has supplied to Industries (x) either (A) a copy of an IRS determination letter finding the Micro Retirement Plan to be a qualified plan meeting the requirements of Section 401(a) of the Code or (B) an opinion of counsel or a written representation from Micro (with appropriate indemnities), in either case, to the effect that the Micro Retirement Plan has been established in accordance with the Code and ERISA, and an agreement that Micro will request a determination letter from the IRS and make any and all changes to the Micro Retirement Plan necessary to receive a favorable determination letter and (y) information enabling the enrolled actuary for the Industries Retirement Plan to issue the certification required by Section 414(l) of the Code (Form 5310-A). Micro and Industries shall cooperate with each other during the period beginning on the date hereof and ending on the date the assets are transferred to the trust maintained under the Micro Retirement Plan ("MRP Transition Period") to ensure the ongoing operation and administration of the Micro Retirement Plan and the Industries Retirement Plan with respect to the Micro Plan Participants.

(iii) The MRP Amount shall be equal to that portion of the total value of the assets held in the Industries Retirement Plan, valued as of the First Closing Date or as soon as practicable thereafter, that bears the same relation to such total as the aggregate present value of benefits (vested and non-vested, including special early retirement benefits and death benefit coverage both before and after the expected retirement ages of Micro Plan Participants) accrued under the Industries Retirement Plan for Micro Plan Participants, as determined in the Industries Retirement Plan actuarial valuation as of January 1, 1996 (the "Actuarial Valuation"), shall bear to the aggregate present value of such benefits accrued under the Industries Retirement Plan for all participants therein, in each case determined by Industries' enrolled actuary, using the projected unit credit funding method and based on the actuarial assumptions used for funding purposes as set forth in the Actuarial Valuation. The MRP Amount shall be adjusted as may be required by the Pension Benefit Guaranty Corporation ("PBGC") and the IRS to maintain the status of the Industries Retirement Plan or the Micro Retirement Plan as an employee pension plan meeting the requirements of Section 401(a) of the Code. Within at least 30 days prior to the First Closing or as soon as practicable thereafter, Industries and Micro shall make any required governmental filings necessary to effect the asset transfers described herein, including the filing of IRS Form 5310-A.

(iv) The assets to be transferred to the trust maintained under the Micro Retirement Plan shall be held, invested and distributed as required under the Industries Retirement Plan and the related trust thereunder for the benefit of Micro Plan Participants during the MRP Transition Period, pending the transfer to the trust maintained under the Micro Retirement Plan pursuant to this Section 3.03(a). Industries and Micro shall use their best efforts to effectuate the above transfer as promptly as possible following the First Closing.

(b) (i) Not later than the Second Closing, Entertainment shall adopt or designate a defined benefit plan that covers the Entertainment Employees and members of the Entertainment Group listed on Schedule 3 ("Entertainment Plan Participants") and meets the requirements of Section 401(a) of the Code ("Entertainment Retirement Plan"). Entertainment agrees that all service credited under the Industries Retirement Plan as of such adoption or designation with respect to the Entertainment Plan Participants shall be credited under the Entertainment Retirement Plan for all plan purposes, including eligibility, vesting and benefit accrual.

(ii) Within 30 days after the adoption or designation of the Entertainment Retirement Plan by Entertainment or as soon as practicable thereafter, Industries shall cause an amount in cash or in kind determined as of the Second Closing pursuant to subparagraph (iii) below (the "ERP Amount"), adjusted as set forth therein, to be transferred from the trust maintained under the Industries Retirement Plan to the trust maintained under the Entertainment Retirement Plan. Such transfer of assets shall be made only after Entertainment has supplied to Industries (x) either (A) a copy of an IRS determination letter finding the Entertainment Retirement Plan to be a qualified plan meeting the

requirements of Section 401(a) of the Code or (B) an opinion of counsel or a written representation from Entertainment (with appropriate indemnities), in either case, to the effect that the Entertainment Retirement Plan has been established in accordance with the Code and ERISA, and an agreement that Entertainment will request a determination letter from the IRS and make any and all changes to the Entertainment Retirement Plan necessary to receive a favorable determination letter and (y) information enabling the enrolled actuary for the Industries Retirement Plan to issue the certification required by Section 414(l) of the Code (Form 5310-A). Entertainment and Industries shall cooperate with each other during the period beginning on the date hereof and ending on the date the assets are transferred to the trust maintained under the Entertainment Retirement Plan (the "ERP Transition Period") to ensure the ongoing operation and administration of the Entertainment Retirement Plan and the Industries Retirement Plan with respect to the Entertainment Plan Participants.

(iii) The ERP Amount shall be equal to that portion of the total value of the assets held in the Industries Retirement Plan, valued as of the adoption or designation referred to in (i) above or as soon as practicable thereafter, that bears the same relation to such total as the aggregate present value of benefits (vested and non-vested, including special early retirement benefits and death benefit coverage both before and after the expected retirement ages of Entertainment Plan Participants) accrued under the Industries Retirement Plan for Entertainment Plan Participants, as determined in the Actuarial Valuation or such later valuation to the extent one is available, shall bear to the aggregate present value of such benefits accrued under the Industries Retirement Plan for all participants therein, in each case determined by Industries' enrolled actuary using the projected unit credit funding method and based on the actuarial assumptions used for funding purposes as set forth in the Actuarial Valuation. The ERP Amount shall be adjusted as may be required by the PBGC and the IRS to maintain the status of the Industries Retirement Plan or the Entertainment Retirement Plan as an employee pension plan meeting the requirements of Section 401(a) of the Code. Within at least 30 days prior to the Second Closing or as soon as practicable thereafter, Industries and Entertainment shall make any required governmental filings necessary to effect the asset transfers described herein, including the filing of IRS Form 5310-A.

(iv) The assets to be transferred to the trust maintained under the Entertainment Retirement Plan shall be held, invested and distributed as required under the Industries Retirement Plan and the related trust thereunder for the benefit of Entertainment Plan Participants during the ERP Transition Period, pending the transfer to the trust maintained under the Entertainment Retirement Plan pursuant to this Section 3.03(b). Industries and Entertainment shall effectuate the above transfer on such date as Industries and Entertainment shall agree but not later than the Second Closing.

(c) Industries shall retain all assets and liabilities under the Industries Retirement Plan except as otherwise provided in Section 3.03(a) and (b) ("Retained Retirement Assets and Liabilities").

SECTION 3.04. Assumption of Liabilities Generally. (a) Subject to the terms and conditions of this Agreement, effective as of the First Closing, Micro shall assume and agree to pay when due, honor and discharge, the following ("Micro Assumed Liabilities"):

(i) all obligations and liabilities arising under any employment, separation or retirement agreement or arrangement to the extent applicable to any member of the Micro Group which has been established or entered into by any of the Ingram Companies or any of their Subsidiaries, whether or not listed on any Schedule attached hereto;

(ii) all obligations and liabilities arising under the Micro Thrift Plan, the Micro Supplemental Assets and Liabilities and the Micro Retirement Plan;

(iii) all obligations and liabilities arising under the welfare benefit plans and other arrangements listed on or otherwise described in Schedule 4 hereto to the extent applicable to any member of the Micro Group;

(iv) all obligations and liabilities arising under any other employee benefit plan or arrangement maintained at any time by any of the Ingram Companies or any of their Subsidiaries to the extent applicable to any member of the Micro Group;

(v) all obligations and liabilities to any member of the Micro Group in respect of the continuation of coverage rules under Sections 601 through 608 of ERISA and Section 4980B of the Code, including all liabilities and obligations relating to qualifying events that have occurred on or prior to the First Closing;

(vi) all obligations and liabilities arising under any federal, state, local or foreign law, order or regulation (including, without limitation, ERISA and the Code) to the extent they relate to participation by any member of the Micro Group in any Employee Benefit Plan, whether relating to events occurring on or prior to the First Closing or arising by reason of the transactions contemplated by this Agreement or otherwise; and

(vii) all statutory obligations and liabilities to any member of the Micro Group, which arise, directly or indirectly, by reason of the transactions contemplated by this Agreement.

(b) Subject to the terms and conditions of this Agreement, effective as of such date as Industries and Entertainment shall agree but not later than the Second Closing, Entertainment shall assume and agree to pay when due, honor and discharge, the following ("Entertainment Assumed Liabilities"):

(i) all obligations and liabilities arising under any employment, separation or retirement agreement or arrangement to the extent applicable to any member of the Entertainment Group which has been established or entered into by any Ingram Company or any of their Subsidiaries, whether or not listed on any Schedule attached hereto;

(ii) all obligations and liabilities arising under the Entertainment Thrift Plan, the Entertainment Supplemental Assets and Liabilities and the Entertainment Retirement Plan;

(iii) all obligations and liabilities arising under the welfare benefit plans and other arrangements listed on or otherwise described in Schedule 4 hereto to the extent applicable to any member of the Entertainment Group;

(iv) all obligations and liabilities arising under any other employee benefit plan or arrangement maintained at any time by any of the Ingram Companies or any of their Subsidiaries to the extent applicable to any member of the Entertainment Group;

(v) all obligations and liabilities to any member of the Entertainment Group in respect of the continuation of coverage rules under Sections 601 through 608 of ERISA and Section 4980B of the Code, including all liabilities and obligations relating to qualifying events that have occurred on or prior to the Second Closing;

(vi) all obligations and liabilities arising under any federal, state, local or foreign law, order or regulation (including, without limitation, ERISA and the Code) to the extent they relate to participation by any member of the Entertainment Group in any Employee Benefit Plan, whether relating to events occurring on or prior to the Second Closing or arising by reason of the transactions contemplated by this Agreement or otherwise; and

(vii) all statutory obligations and liabilities to any member of the Entertainment Group which arises, directly or indirectly, by reason of the transactions contemplated by this Agreement.

(c) Subject to the terms and conditions of this Agreement, effective as of the First Closing, Industries shall retain and agree to pay when due, honor and discharge, the following ("Industries Retained Liabilities"):

(i) all obligations and liabilities arising under any employment, separation or retirement agreement or arrangement to the extent applicable to any member of the Industries Group which has been established or entered into by any of the Ingram Companies or any of their Subsidiaries, whether or not listed on any Schedule attached hereto;

(ii) obligations and liabilities arising under the Retained Thrift Assets and Liabilities, the Retained Supplemental Assets and Liabilities, and the Retained Retirement Assets and Liabilities;

(iii) all obligations and liabilities arising under the welfare benefit plans and other arrangements listed on or otherwise described in Schedule 4 hereto to the extent applicable to any member of the Industries Group;

(iv) all obligations and liabilities arising under any other employee benefit plan or arrangement maintained at any time by any Ingram Company or any of their Subsidiaries to the extent applicable to any member of the Industries Group;

(v) all obligations and liabilities to any member of the Industries Group in respect of the continuation of coverage rules under Sections 601 through 608 of ERISA and Section 4980B of the Code, including all liabilities and obligations relating to qualifying events that have occurred on or prior to the First Closing;

(vi) all obligations and liabilities arising under any federal, state, local or foreign law, order or regulation (including, without limitation, ERISA and the Code) to the extent they relate to participation by any member of the Industries Group in any Employee Benefit Plan, whether relating to events occurring on or prior to the First Closing or arising by reason of the transactions contemplated by this Agreement or otherwise; and

(vii) all statutory obligations and liabilities to any member of the Industries Group, which arise, directly or indirectly, by reason of the transactions contemplated by this Agreement.

(d) Subject to the terms and conditions of this Agreement, effective as of the Second Closing Industries shall confirm to Entertainment the retention by and agreement of Industries to pay when due, honor and discharge the Industries Retained Liabilities.

(e) All obligations, liabilities and responsibilities arising out of or relating to workers' compensation shall be transferred among and assumed by the parties pursuant to the terms of the Risk Management Agreement dated as of the First Closing among Industries, Micro and Entertainment.

SECTION 3.05. Method of Settlement. Notwithstanding anything herein to the contrary, any transfer or assumption of liabilities pursuant to this Article III shall be effected through a corresponding adjustment in the relevant intercompany account balances of the parties hereto.

SECTION 3.06. Further Assurances. (a) On and after the date hereof, Industries will, at the reasonable request of Micro, execute, acknowledge and deliver all such endorsements, assurances, consents, assignments, transfers, conveyances, powers of attorney and other instruments and documents, and take such other actions necessary (i) to assign, transfer, convey and deliver to Micro, acting in its fiduciary capacity, all the assets to be transferred to Micro pursuant to Article III hereof and (ii) to assist Micro in obtaining the consent and approval of all governmental bodies and other Persons required to be obtained by Micro to effect the transfer thereof and the assumption of the Micro Assumed Liabilities by Micro or otherwise appropriate to carry out the transactions contemplated hereby.

(b) On and after the date hereof, Industries will, at the reasonable request of Entertainment, execute, acknowledge and deliver all such endorsements, assurances, consents, assignments, transfers, conveyances, powers of attorney and other instruments and documents, and take such other actions necessary (i) to assign, transfer, convey and deliver to Entertainment, acting in its fiduciary capacity, all the assets to be transferred to Entertainment pursuant to Article III hereof, and (ii) to assist Entertainment in obtaining the consent and approval of all governmental bodies and other Persons required to be obtained by Entertainment to effect the transfer thereof and the assumption of the Entertainment Assumed Liabilities by Entertainment or otherwise appropriate to carry out the transactions contemplated hereby.

(c) On and after the date hereof, each of Micro and Entertainment will, at the reasonable request of Industries, execute, acknowledge and deliver all such assumptions, endorsements and other instruments and documents, and take such other actions necessary (i) to assume, pay, honor and discharge the Micro Assumed Liabilities and Entertainment Assumed Liabilities, respectively, and (ii) to assist Industries in obtaining the consent and approval of all governmental bodies and other Persons required to be obtained by Industries to effect the transfer of the assets to be transferred to Micro or Entertainment pursuant to Article III hereof, respectively, and the assumption of the Micro Assumed Liabilities and Entertainment Assumed Liabilities by Micro and Entertainment, respectively, or otherwise appropriate to carry out the transactions contemplated hereby.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Certain Industries Representations. Industries hereby represents and warrants to Micro and Entertainment on the date hereof, and to Entertainment on the date of the adoption or designation of the Entertainment Thrift Plan and the Entertainment Retirement Plan, that the Industries Thrift Plan and the Industries Retirement Plan have been established in accordance with the Code and ERISA, are qualified under Section 401(a) of the Code, have been so qualified during the period from their adoption to the date hereof and each will be so qualified as of the date of the transfers referred to in Section 3.01 and 3.03 respectively, and that each trust forming a part thereof is exempt from tax pursuant to Section 501(a) of the Code.

ARTICLE V

INDEMNIFICATION

SECTION 5.01. Indemnification by Micro. Micro agrees to indemnify and hold harmless Entertainment and its Subsidiaries and their respective directors, officers, agents and employees (each, an "Entertainment Indemnified Person") and Industries, its Subsidiaries and their respective directors, officers, agents and employees (each, an "Industries Indemnified Person") from any and all damage, loss, liability and expense (including, without limitation, reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, suit or proceeding) (collectively, "Loss") incurred or suffered by such Entertainment Indemnified Person or Industries Indemnified Person, as the case may be, arising out of or related to the Micro Assumed Liabilities.

SECTION 5.02. Indemnification by Entertainment. Entertainment agrees to indemnify and hold harmless Micro and its Subsidiaries and their respective directors, officers, agents and employees (each, a "Micro Indemnified Person") and each Industries Indemnified Person from any and all Losses, incurred or suffered by such Micro Indemnified Person or Industries Indemnified Person, as the case may be, arising out of or related to the Entertainment Assumed Liabilities.

SECTION 5.03. Indemnification by Industries. Industries agrees to indemnify and hold harmless each Entertainment Indemnified Person and each Micro Indemnified Person from any and all Losses, incurred or suffered by such Micro Indemnified Person or Industries Indemnified Person,

as the case may be, arising out of or related to the Industries Retained Liabilities.

ARTICLE VI

GENERAL PROVISIONS

SECTION 6.01. Parties. Nothing in this Agreement, express or implied, is intended to confer upon any person not a party any rights and remedies hereunder.

SECTION 6.02. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to its conflict of laws provisions.

SECTION 6.03. Headings. The Section and other headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

SECTION 6.04. Entire Agreement. This Agreement constitutes the entire agreement between the parties in respect of the subject matter contained herein and neither this Agreement nor any term or provision hereof may be amended or changed except by an instrument in writing signed by Industries, Micro and Entertainment. Industries shall deliver prompt written notice to each other party hereto of any amendment to this Agreement approved pursuant to this Section.

SECTION 6.05. Assignments. This Agreement shall not be assignable by any party, without the written consent of the other parties hereto. No assignment of any right or benefit hereunder shall relieve any obligation of the assignor hereunder without the written consent of the other party.

SECTION 6.06. Notices. Any notice, request, instruction or other document to be given hereunder by any party hereto to another party hereto shall be in writing (including telecopier or similar writing) and shall be given to such party at its address set forth on the signature pages hereof, or to such other address as the party to whom notice is to be given may provide in a written notice to the party giving such notice, a copy of which written notice shall be on file with the Secretary of Industries. Each such notice, request or other communication shall be effective (i) if given by telecopy, when such telecopy is transmitted to the telecopy number specified on the signature pages hereof and the appropriate confirmation is received, (ii) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid addressed as aforesaid or (iii) if given by any other means, when delivered at the address specified in this Section 6.06.

SECTION 6.07. Severability. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of this Agreement, including any such provision, in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

SECTION 6.08. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

INGRAM INDUSTRIES INC.

By:_____
Name:
Title:
One Belle Meade Place
4400 Harding Road
Nashville, TN 32705
Telecopy: (615) 298-8242

INGRAM MICRO INC.

By:_____
Name:
Title:
1600 East Saint Andrew Place
Santa Ana, CA 92705
Telecopy: (714) 566-7900

INGRAM ENTERTAINMENT INC.

By:_____
Name:
Title:
Two Ingram Boulevard
La Vergne, TN 37086
Telecopy: (615) 287-4985

SCHEDULES TO EMPLOYEE BENEFIT
ASSUMPTION AND SERVICES AGREEMENT

SCHEDULE 1

[RESERVED]

SCHEDULE 2

CURRENT MICRO RETIREMENT PLAN PARTICIPANTS

[Final List to be provided as of Closing]

MICRO PLAN PARTICIPANTS

Antonucci, Maureen J.
Atkinson, Caryn Ann
Baldwin, Susan C.
Blueweiss, Lynn L.
Browning, Frank E.
Buchnowski, Barbara
Convertini, Philip A.
Cook, Michael J.
Cooney, Lynn Anne
Crowe, Mary Jane C.
Dean, Celeste
DiCarlo, Geraldine
DiMarco, Peter F.
Dixon, Kent W.
Elkington, Robert S.
Evans, David T.
Gajewski, Cheryl A.
Gilcart, Daughn M.
Healy, Patrick J.
Henning, Thomas P.
Hinshaw, Sylvia Y.
Hiser, March D.
Imiola, Donna
Johnson, Paul D.
Kalman, Rob P.
Lepore, Robert J.
Lewis-Johnson, Karen
Long, Geraldine
Mesel, James D.
Montgomery, Robert L.
Morehouse, Elizabeth
Pelino, Gary
Rockey, Emerson T.
Rung, Leon P.
Rutan, William H.
Scherrer, Henry
Schmidt, Wallace M.
Schwind, Robert A.
Sherwood, Donna M.
Taravella, Stephen
Thornton, Lynne M.
Trinca, Joseph S.
Tuzzo, Mark
Wendt, Janet E.
Willoughby, Donald D.

"Highly Compensated Employees" (as determined under Section 414(q) of the Code) will not accrue additional benefits under the Micro Retirement Plan following the First Closing. Accordingly, Credited Service, Final Average Earnings and Final Excess Average Earnings will not increase for any member of the Micro Group during any Plan Year that such individual is a Highly Compensated Employee as determined under such Plan. Highly Compensated Employees will accrue benefits following the First Closing under an unfunded non-qualified defined benefit plan.

SCHEDULE 3

ALLOCATION OF CERTAIN CURRENT OR FORMER EMPLOYEES

EMPLOYEES DUE BENEFITS AND NOT CURRENTLY ACCRUING FUTURE BENEFITS UNDER RETIREMENT PLAN

[Final List to be provided as of First Closing]

ENTERTAINMENT GROUP

	Soc Sec No	Name
V	415703657	J.H. Baker
V	409274568	M. Barrett
V	409337748	T. Barrett
V	342441493	L. Barringer
V	409648748	N.C. Batte
V	429822792	D.K. Bishop
V	467490589	M. Blum
V	002368165	J.G. Bradley
V	477069515	R. Burcholz
V	546881493	M. Cherry
V	412887970	S.B. Close
V	410113680	T. Cunningham
V	499845882	T. Davis
V	477901882	D. Decker
V	554157389	R. Delayo
V	285520744	C.E. Dodson
V	415623250	I. Donelson II
V	415373976	K. Dowell
V	294466866	K. Eades
V	415152522	L. Ferrell
V	408984163	V.R. Green
V	541047950	E.M. Hoffmann
V	453804355	H. Hoffner
V	414333411	K. Mallory
V	086381549	C. Morse
V	410700318	D. Mullins
V	408113807	R.L. Parker
V	414291830	S. Pennington
V	524190712	K. Perry
V	409295428	C. Potts
V	416609204	K. Rabinovitz
V	474545997	M.J. Silsbee
V	242157161	J.K. Smith
V	541763931	J. Stabler
V	542568688	M.O. Stewart
R	515148768	G.J. Sullivan
V	573610828	C. Varbosa
V	257372813	L. White

MICRO GROUP

	Soc Sec No	Name
V	133640502	B.R. Atkinson
V	097500603	L. Balash
V	603104521	R.M. Barragan
V	075608147	J.M. Bax
V	122669921	J. Bellamy
V	557948682	C. Benavines
V	098423660	T.T. Booker
V	411922893	M.R. Briggs
V	117506731	W.M. Brooks
V	116606554	J.J. Burket
V	105486357	E. Bush
V	072565601	M.C. Cameron
V	546414899	R. Carbonniere
V	090524387	L.M. Close
V	341527490	A. Cobb

V	059642350	T. Colombo
V	085567893	C. Curley-Rolan
V	087547829	R. Daniels
V	126489159	J. Davis
V	064445120	D.M. Dillon
V	095661919	L. Dolan
V	098340724	M. Dominguez
V	103323285	W. Drescher Jr
V	055623522	R.F. Drumsta
V	140401850	R. Eisner
V	050669556	E.M. Elkington
V	088606541	R. Ensminger
V	096508617	M.A. Fatta
V	083525241	K.T. Flanagan
V	088562528	J. Fleshler
V	054564648	W.P. Flynn
V	093626371	M. Fohl
V	129563761	R. Franklin
V	125382674	L.D. Gorbaty
V	118489104	G. Harris
V	081586434	A. Hecht
V	080440395	G.J. Henzler
V	126488210	P.J. Hickman
V	064446032	K. Holley
V	034481251	M. Islam
V	111603530	C. Joensen
V	126488560	D.M. Kempa
V	114522171	M.R. Kipler
V	057408654	A. Kosowski
V	122561866	P.J. Kozlowski

	Soc Sec No	Name
	----------	----
V	094600762	L.A. Kubik
V	117403527	S. Kuhn
V	088540003	P.M. Kuhn
V	061462495	M. Laudan
V	083520461	K.L. Lintner
V	075344931	A. Lombardo
V	083508444	D.E. Maefs
V	134568725	J.P. Marchiano
V	075565613	B. Maynard
V	090265795	F. McCarthy
V	557822649	D. Messerli
V	116509083	N.F. Meyer
V	080529496	H. Mis
V	106584443	R. Nelson
V	509447415	M.L. Newcomb
V	093608315	J.A. Oberther
V	128505759	J. Oexle
V	121627308	B.A. Orlow
V	105608203	M. Pawliske
V	064380586	R. G. Perryman
V	063568828	C.E. Petrosian
V	086647849	T. Pitts
V	073641965	P.R. Porto
V	096546594	L. Pratt
V	093441685	C.M. Prible
V	099404220	J.L. Ptak
V	057563872	S. Quick
V	574164708	L.S. Ricci
V	116509656	A. Roberto
V	052604564	T.J. Sager
V	562472771	L. Schneider
V	105483237	C. Siembida
V	095485350	B. Singleteary
V	075665471	M.J. Sterry
V	082521426	J.F. Tabbi
V	111648494	B.J. Trinca
V	092624756	J. Vigneron
V	052509346	S.A. Wadsworth
V	094520519	L. Wesolowski
V	210263090	G. Will
V	128426423	L.D. Williams
V	050469043	D. Willoughby
V	120407126	M.F. Witkowski

SCHEDULE 4

WELFARE BENEFIT PLANS AND OTHER ARRANGEMENTS

Industries Plans and Arrangements

Ingram Health Care Plan
Ingram Dental Care Plan
Ingram DMO (Cigna) Plan

Ingram Vision Care Plan
Ingram Long Term Disability Plan
Ingram Industries Dependent Care Plan
Ingram Industries Flexible Benefits Plan
Group Life Plan for All Employees
Group AD&D Plan for All Employees
Ingram Assistance Plan
Accrued Vacation Benefits
Accrued Sick Leave

Micro Plans and Arrangements

Ingram Micro Health Care Plan
Ingram Micro Dental Care Plan
Ingram Micro DMO (Cigna) Plan
Ingram Micro Vision Care Plan
Ingram Micro Long Term Disability Plan
Ingram Micro Dependent Care Plan
Ingram Micro Flexible Benefits Plan
Ingram Micro Group Life Plan for All Employees
Ingram Micro Group AD&D Plan for All Employees
Ingram Micro Assistance Plan
Accrued Vacation Benefits
Accrued Sick Leave

Entertainment Plans and Arrangements

Ingram Entertainment Health Care Plan
Ingram Entertainment Dental Care Plan
Ingram Entertainment DMO (Cigna) Plan
Ingram Entertainment Vision Care Plan
Ingram Entertainment Long Term Disability Plan
Ingram Entertainment Dependent Care Plan
Ingram Entertainment Flexible Benefits Plan
Ingram Entertainment Group Life Plan for All Employees
Ingram Entertainment Group AD&D Plan for All Employees
Ingram Entertainment Assistance Plan
Accrued Vacation Benefits
Accrued Sick Leave

SCHEDULE 5

[RESERVED]

SCHEDULE 6

INDUSTRIES EQUITY-BASED PLANS

Ingram Industries Inc. 1994 Nonqualified Stock Option Plan
Ingram Industries Inc. 1994 Incentive Stock Option Plan
Ingram Industries Inc. 1990 Nonqualified Stock Option Plan
Ingram Industries Inc. 1990 Incentive Stock Option Plan
Ingram Industries Inc. 1986 Employee Incentive Stock Option Plan
Ingram Industries Inc. 1985 Employee Incentive Stock Option Plan
Ingram Industries Inc. 1992 Incentive Stock Unit Plan
Ingram Industries Inc. 1990 Incentive Stock Unit Plan
Ingram Industries Inc. 1987 Executive Incentive Plan
Ingram Industries Inc. 1986 Executive Incentive Plan
Ingram Micro Holdings Inc. 1992 Incentive Stock Unit Plan
Ingram Micro D Inc. (Delaware) Incentive Stock Unit Plan

EXHIBIT 10.21

AMENDED AND RESTATED EXCHANGE AGREEMENT

among

INGRAM INDUSTRIES INC.,

INGRAM MICRO INC.,

INGRAM ENTERTAINMENT INC.,

AND

THE PERSONS IDENTIFIED
ON THE SIGNATURE PAGES HEREOF

TABLE OF CONTENTS

ARTICLE 6

CERTAIN AGREEMENTS; TAX MATTERS

ARTICLE 7

MISCELLANEOUS

AMENDED AND RESTATED EXCHANGE AGREEMENT

AGREEMENT dated as of September 4, 1996, as amended and restated as of October 17, 1996, among Ingram Industries Inc., a Tennessee corporation ("Industries"), Ingram Micro Inc., a Delaware corporation ("Micro"), Ingram Entertainment Inc., a Tennessee corporation ("Entertainment" and, together with Industries and Micro, the "Ingram Companies"), and each Person listed on the signature pages hereof.

The parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

SECTION 1.1. Definitions. (a) The following terms, as used herein, have the following meanings:

"Board Representation Agreement" means the Board Representation Agreement substantially in the form attached as Exhibit C hereto.

"Entertainment Common Stock" means shares of common stock, without par value, of Entertainment.

"Exchange" means the exchange of Industries Common Stock pursuant to Article 2.

"Exchange Securities" means the shares of Industries Common Stock to be exchanged pursuant to Article 2.

"Family Stockholders" means the Family Stockholders set forth on Annex II hereto.

"First Closing" means the closing of the transactions contemplated by Section 2.2.

"Group" means any Stockholder Group, which includes the Micro Group, the Entertainment Group, the Industries Group, the Family Group, and the Industries Optionholder Group, in each case as indicated on Annex I hereto.

"Holder" means each Person listed on the signature pages hereof (other than any Ingram Company), each Person who becomes a party to this Agreement pursuant to Section 2.4 or 2.5, or all of them, as the context requires; provided that any Person who withdraws from this Agreement pursuant to Section 7.8(d) shall cease to be a Holder effective on the date of such withdrawal.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"Industries Common Stock" means shares of Class A common stock and Class B common stock, without par value, of Industries.

"Investment Manager" means State Street Bank and Trust Company, in its capacity as investment manager with respect to the Thrift Plan.

"Micro Common Stock" means shares of Class B common stock, par value $0.01 per share, of Micro.

"Person" means an individual, corporation, partnership, limited liability company, trust, association or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"QTIP" means the E. Bronson Ingram Qtip Marital Trust.

"Related Agreements" means the Transfer Restrictions Agreement substantially in the form attached as Exhibit A hereto, the Registration Rights Agreement substantially in the form attached as Exhibit B hereto, the Amended and Restated Stock Option, SAR and ISU Conversion and Exchange Agreement substantially in the form attached as Exhibit D hereto and the Thrift Plan Liquidity Agreement.

"Reorganization Agreement" means the Amended and Restated Reorganization Agreement dated as of September 4, 1996, as amended and restated as of October 17, 1996, among Industries, Micro and Entertainment.

"Second Closing" means the closing of the transactions contemplated by Section 2.3.

"Securities Act" means the Securities Act of 1933, as amended.

"Subsidiary" means, (i) with respect to Entertainment or Micro, any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are directly or indirectly owned by such Person immediately after the First Closing and (ii) with respect to Industries, any entity (other than Entertainment or its Subsidiaries) of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are directly or indirectly owned by Industries immediately after the First Closing.

"Thrift Plan" means the Ingram Thrift Plan.

"Thrift Plan Liquidity Agreement" means the Thrift Plan Liquidity Agreement substantially in the form attached as Exhibit G hereto.

(b) Each of the following terms is defined in the Section set forth opposite such term:

Term	Section
Adjustment Amount	6.5
Affected Group	7.8
Charitable Trusts and Foundation	7.8
Claims	2.6
Entertainment Tax Ruling	5B.2
Exercising Optionholder	2.5
First Closing Date	2.2
HLH&Z	5.5
Holder's Fraction	2.1
Initial Adjustment Period	6.5
Micro Tax Ruling	5A.2
Offer Period	2.4
Option Record Date	2.5
Other Holder	2.4
Required Holders	7.8
Second Closing Date	2.3
Unexchanged Shares	2.1

ARTICLE 2

EXCHANGE

SECTION 2.1. Exchange by Holders. On the terms and subject to the conditions set forth herein, each Holder who is a member of the

Stockholder Groups hereby agrees to exchange the number of shares of Industries Common Stock set forth opposite the name of such Holder under the heading "III Common Stock To Be Exchanged" on Annex I; provided that the number of shares of Industries Common Stock to be exchanged for shares of Micro Common Stock by each Holder that is a member of the Family Group shall be increased by an amount equal to the product of

(a) the sum (the "Unexchanged Shares") of (x) the product of .7599 and the aggregate number of shares of Industries Common Stock set forth under the heading "III Common Stock Owned" on Annex I opposite the name of each Holder that is a member of the Industries Group identified under such heading who does not elect to participate in the Exchange pursuant to Section 2.4; and (y) the product of .7284 and the aggregate number of shares of Industries Common Stock acquired upon exercise after December 31, 1995 of options held as of December 31, 1995 as set forth under the heading "III Common Stock Owned" on Annex I opposite the name of each Holder that is a member of the Industries Optionholder Group who does not elect to participate in the Exchange pursuant to Section 2.4; and

(b) a fraction (the "Holder's Fraction"), the numerator of which shall equal the number of shares of Industries Common Stock set forth opposite the name of such Holder that is a member of the Family Group under the heading "III Common Stock Owned" on Annex I and the denominator of which shall equal the total number of shares of Industries Common Stock set forth opposite the name of all Holders that are members of the Family Group under the heading "III Common Stock Owned" on Annex I.

Except as otherwise determined by the Board of Directors of Industries, if the Exchange Securities of any Holder constitute less than 100% of such Holder's Industries Common Stock, the Exchange Securities of such Holder shall, to the extent practicable, consist of 90% of Class B common stock of Industries and 10% of Class A common stock of Industries.

SECTION 2.2. The First Closing. (a) The First Closing shall take place at the executive offices of Industries in Nashville, Tennessee or at such other place, and at such time, as the Ingram Companies may agree following satisfaction or waiver of the conditions set forth in Article 5A. The date and time of such closing are referred to herein as the "First Closing Date". The First Closing shall take place in two phases as specified below.

(b) In the first phase, the following actions shall take place simultaneously:

(i) the Thrift Plan, pursuant to the written instructions of the Investment Manager, shall deliver to Industries (x) certificates representing the Exchange Securities of the Thrift Plan, duly endorsed in blank or accompanied by a duly executed stock power and (y) executed counterpart signature pages to each Related Agreement; and

(ii) Industries shall deliver to the Thrift Plan certificates representing the number of shares of Micro Common Stock, rounded up to the nearest whole share, which the Thrift Plan is entitled to receive as set forth opposite the name of the Thrift Plan on Annex I thereto.

(c) Immediately following the first phase, the following actions shall take place simultaneously in the second phase:

(i) The Exchange Securities to be exchanged pursuant to Section 2.2(c)(ii) and the other related documents tendered pursuant to Section 2.7 shall be released from escrow to Industries;

(ii) Industries shall deliver to each Holder (other than the Thrift Plan), certificates representing the number of shares of Micro Common Stock which such Holder is entitled to receive as set forth opposite the name of such Holder on Annex I, rounded up to the nearest whole share, plus with respect to each Holder that is a member of the Family Group, the number of shares of Micro Common Stock, rounded up to the nearest whole share, represented by the product of (A) such Holder's Fraction and (B) the product of 1.3729 and the Unexchanged Shares; and

(iii) Industries shall deliver to Micro for cancellation all of the shares of Micro Common Stock that have not been delivered to the Thrift Plan pursuant to Section 2.2(b) or to the Holders pursuant to Section 2.2(c).

(d) If pursuant to Section 2.7 any Holder (other than a Holder that is a member of the Entertainment Group) has delivered to Industries certificates representing a greater number of shares of Industries Common Stock than the number of Exchange Securities of such Holder, at the First Closing, Industries shall deliver to such Holder a new certificate representing the number of shares (if any) of the class of Industries Common Stock, rounded up to the nearest whole share, to be retained by such Holder immediately following the Exchange.

SECTION 2.3. The Second Closing. The Second Closing shall take place at the executive offices of Industries in Nashville, Tennessee or at such other place, and at such time, as Industries and Entertainment may agree following satisfaction or waiver of the conditions set forth in Article 5B. The date and time of closing are referred to herein as the "Second Closing Date". At the Second Closing:

(i) The Exchange Securities to be exchanged pursuant to Section 2.3(ii) and the other related documents tendered pursuant to Section 2.7 shall be released from escrow to Industries;

(ii) Industries shall deliver to each Holder identified on Annex I hereto as being a member of the Entertainment Group, certificates representing the number of shares of Entertainment Common Stock, rounded up to the nearest whole share, which such Holder is entitled to receive as set forth opposite the name of such Holder on Annex I hereto; and

(iii) Industries shall deliver to Entertainment for cancellation all of the shares of Entertainment Common Stock that have not been delivered to the Holders pursuant to Section 2.3(ii).

SECTION 2.4. Other Holders. Within 15 days following September 4, 1996, Industries shall offer each stockholder of Industries set forth on Annex I that has not signed this Agreement on September 4, 1996 (each, an "Other Holder") the opportunity to participate in the Exchange by exchanging the Exchange Securities of such Person on the terms and conditions set forth on Annex I. Each Other Holder may elect to participate in the Exchange by delivering to Industries no later than 20 business days following the date on which the offer is made or such later date as Industries may specify in its sole discretion following September 4, 1996 (the "Offer Period"), an executed counterpart signature page to this Agreement and the documents referred to in Section 2.7. Upon execution and delivery thereof to Industries, such Other Holder shall become a party to this Agreement effective as of September 4, 1996 and shall be bound by all of the provisions hereof.

SECTION 2.5. Exercising Optionholders. Industries shall offer each Person listed on Annex I as being a member of the Entertainment Group who acquires shares of Industries Common Stock upon exercise of stock options after the First Closing Date and prior to a date (the "Option Record Date") fixed by the board of directors of Industries, which date shall not be more than 30 business days prior to the Second Closing Date (an "Exercising Optionholder"), the opportunity to exchange such shares of Industries Common Stock on the terms and conditions set forth in Sections 2.1 and 2.3 for shares of Entertainment Common Stock. Industries shall deliver notice of the Option Record Date promptly following determination thereof to each such Person holding stock options that will be exercisable prior to such Option Record Date. Each Exercising Optionholder may elect to participate in the Exchange by delivering to Industries, no later than 20 business days following the Option Record Date, an executed counterpart signature page to this Agreement and the documents referred to in Section 2.7. Upon execution and delivery thereof to Industries, such Exercising Optionholder shall become a party to this Agreement effective as of September 4, 1996 and shall be bound by all of the provisions hereof.

SECTION 2.6. Acknowledgement and Release. (a) Each Holder hereby agrees that, as of September 4, 1996, the fair value of the securities to be received by such Holder in the Exchange is equal to the fair value of such Holder's Exchange Securities. Each Holder hereby acknowledges that an initial public offering of Micro Common Stock is contemplated, but no assurance can be given as to whether such public offering will be consummated or as to the market value of the Micro securities to be sold in such public offering or whether a market for such securities will develop or be maintained.

(b) In consideration of the Exchange and effective at the First Closing (in the case of each Holder, with respect to Exchange Securities of such Holder that are exchanged at the First Closing) and at the Second Closing (in the case of each Holder that is a member of the Entertainment Group, with respect to Exchange Securities of such Holder that are exchanged at the Second Closing), each Holder hereby unconditionally and irrevocably releases and discharges each Ingram Company and each other Person directly or indirectly controlling, controlled by, or under common control with, such Ingram Company and any and all directors, officers and shareholders of any of the foregoing, of any claim, obligation or liability, in law or in equity, that such Holder had in the past, now has or hereafter shall or may have for, upon or by reason of any event, matter or thing which has occurred from the beginning of the world to the First Closing Date or the Second Closing Date, respectively (the "Claims"), arising out of or relating to such Holder's ownership of Industries Common Stock, including without limitation (i) Claims alleging that such Holder has a right to receive additional or different consideration in the Exchange and (ii) Claims against directors of any Ingram Company alleging a breach of fiduciary duty of such directors arising in connection with the transactions contemplated hereby or by the Board Representation Agreement, the Related Agreements, the Reorganization Agreement or the Ancillary Agreements (as defined in the Reorganization Agreement) or any other agreement referred to herein or therein, except that no Holder shall agree hereby to waive any such Claim to the extent that any such director was not acting in good faith.

SECTION 2.7. Surrender of Existing Certificates. (a) Except as otherwise provided in Section 2.7(b), concurrently with the execution by each Holder (other than the Thrift Plan) of this Agreement, such Holder will deliver to Industries in escrow pending the consummation of the First Closing or the Second Closing, as applicable, executed counterpart signature pages to each Related Agreement and all certificates representing the Exchange Securities owned by such Holder. Each certificate representing such Exchange Securities shall be duly endorsed in blank or accompanied by a duly executed stock power. Each Holder that is an Exercising Optionholder also will deliver to Industries in escrow pending the consummation of the Second Closing executed counterpart signature pages to an agreement pursuant to which such Holder would be subject to certain restrictions on the ability of such Holder to transfer shares of Entertainment Common Stock to be received by such Holder in the Exchange (which restrictions will be similar to the restrictions applicable to the Exchange Securities of Holder immediately prior to the Second Closing).

(b) Notwithstanding anything to the contrary in Section

2.7(a), (i) no later than two days prior to the First Closing Date, each of the Family Stockholders, the QTIP and the Charitable Trusts and Foundation will deliver to Industries in escrow pending consummation of the First Closing all certificates representing the Exchange Securities owned by such Holder, duly endorsed in blank or accompanied by a duly executed stock power, and (ii) all certificates representing Exchange Securities which are currently pledged to Nationsbank, N.A., Nationsbank of Tennessee, N.A. or First American National Bank shall be delivered by the pledgee to Industries at the First Closing (or, in the case of Exchange Securities to be exchanged at the Second Closing pursuant to Section 2.3, at the Second Closing), duly endorsed as described above.

(c) Certificates representing Exchange Securities held in escrow pursuant to this Section 2.7 shall promptly be returned to the Holder thereof upon any termination of this Agreement pursuant to Section 7.6.

SECTION 2.8. Certain Representations and Warranties. Micro represents and warrants to each Holder as of September 4, 1996 and as of the First Closing Date that the shares of Micro Common Stock to be delivered pursuant to Section 2.2 are validly issued, fully paid and non-assessable. Entertainment represents and warrants to each Holder as of September 4, 1996 and as of the Second Closing Date that the shares of Entertainment Common Stock to be delivered pursuant to Section 2.3 are validly issued, fully paid and non-assessable.

SECTION 2.9. Legend. Each certificate representing a share of Micro Common Stock or Entertainment Common Stock to be acquired pursuant to this Agreement shall (except as provided below) include any legends required pursuant to applicable securities laws and a legend in substantially the following form:

> THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE OR FOREIGN SECURITIES LAWS AND MAY NOT BE OFFERED OR SOLD EXCEPT IN COMPLIANCE THEREWITH.

Any Holder or transferee of a share of Micro Common Stock or Entertainment Common Stock may, upon providing evidence (including without limitation an opinion of counsel) reasonably satisfactory to Micro or Entertainment, respectively, that such share either is not a "restricted security" (as defined in Rule 144 promulgated under the Securities Act) or may be sold pursuant to Rule 144(k) promulgated under the Securities Act, exchange the certificate representing such share for a new certificate that does not bear such legend.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF EACH HOLDER

Each Holder hereby represents and warrants to each Ingram Company as of September 4, 1996, as of October 17, 1996, as of the First Closing Date and, in the case of any Holder that is a member of the Entertainment Group, as of the Second Closing Date, as follows:

SECTION 3.1. Private Placement. (a) Such Holder understands that (i) the Exchange and the delivery of securities in the Exchange as contemplated hereby is intended to be exempt from registration under the Securities Act pursuant to Section 4(2) of the Securities Act and (ii) there is no existing public or other market for such securities and, except as otherwise provided in the Related Agreements, there can be no assurance that such Holder will be able to sell or dispose of the securities delivered to such Holder pursuant to the terms hereof.

(b) The securities to be acquired by such Holder pursuant to this Agreement are being acquired for its own account for investment and without a view to the public distribution of such securities or any interest therein.

(c) Unless Industries has been notified in writing to the contrary prior to September 4, 1996, such Holder is an "Accredited Investor" as such term is defined in Regulation D promulgated under the Securities Act.

(d) Such Holder has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the securities to be acquired by such Holder pursuant to this Agreement and such Holder is capable of bearing the economic risks of such investment, including a complete loss of its investment in such securities, since such securities may not be transferred except as provided in the Related Agreements.

(e) Such Holder has been given the opportunity to ask questions of, and receive answers from the Ingram Companies concerning the Ingram Companies, the securities to be acquired by such Holder pursuant to this Agreement, the transactions contemplated hereby and by the Reorganization Agreement and other related matters. Such Holder further represents and warrants to each Ingram Company that such Ingram Company has made available to such Holder or its agents all documents and information relating to an investment in such securities requested by or on behalf of such Holder. In evaluating the suitability of an investment in such securities, such Holder has not relied upon any other representations or other information (whether oral or written) made by or on behalf of any Ingram Company.

(f) Such Holder understands that (i) the securities to be acquired by such Holder pursuant to this Agreement may not be transferred except in compliance with the provisions of the Related Agreements and (ii) such securities will bear a legend to such effect.

SECTION 3.2. Ownership. Except as set forth on Schedule 3.2, such Holder is the record and beneficial owner of the Exchange Securities of such Holder. Except as set forth on Schedule 3.2, such Exchange Securities are and, as of the First Closing (and, if such Holder is a member of the Entertainment Group, as of the Second Closing) will be, free and clear of any lien, pledge, charge, security interest or encumbrance of any kind and any other limitation or restriction (including without limitation any restriction on the right to vote, sell or otherwise dispose of such Exchange Securities).

SECTION 3.3. Tax Matters. There is no plan or intention by such Holder to sell, exchange, transfer by gift or otherwise dispose of any of such Holder's stock in any of the Ingram Companies subsequent to the Exchange.

SECTION 3.4. Community Property. If such Holder's Exchange Securities constitute community property, this Agreement has been executed and delivered by such Holder's spouse, who shall be bound hereby, and the representations and warranties contained in Article 3 (other than the first sentence of Section 3.2), Article 4 and Section 6.2 are true and correct as to such spouse.

SECTION 3.5. Representation of the Thrift Plan. If such Holder is the Thrift Plan, the Investment Manager has made the determination as of September 4, 1996 that the exchange of the Thrift Plan's shares of Industries Common Stock for Micro Common Stock is prudent and in the best interest of the Thrift Plan participants and beneficiaries.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF EACH PARTY

Each party hereto hereby represents and warrants to each other party hereto as of September 4, 1996, as of October 17, 1996, as of the First Closing Date and, in the case of Entertainment, Industries and each Holder that is a member of the Entertainment Group, as of the Second Closing Date, as follows:

SECTION 4.1. Authority; No Other Action. (a) Such Person, if an individual, has the legal capacity to enter into this Agreement and each Related Agreement. If such Person is not an individual, the execution, delivery and performance by such Person of this Agreement and each Related Agreement are within such Person's powers and have been duly authorized on its part by all requisite action.

(b) No action by or in respect of, or filing with, any governmental authority, agency or official is required for the execution, delivery and performance by such Person of this Agreement and each Related Agreement, other than compliance with any applicable requirements of the HSR Act. The execution, delivery and performance by such Person of this Agreement and each Related Agreement do not (i) contravene or conflict with or constitute a violation of any provision of any existing law, regulation, judgment, injunction, order or decree binding upon or applicable to such Person or (ii) after giving effect to the actions to be taken in connection with the First Closing and, if applicable, the Second Closing, require any further consent, approval or other action by any other Person or constitute a default under any provision of any material agreement, contract, indenture, lease or other instrument binding upon such Person or any material license, franchise, permit or other similar authorization held by such Person which would have a material adverse effect on the business, financial condition or prospects of any such Person.

SECTION 4.2. Binding Effect. This Agreement has been duly executed by such Person and constitutes, and, when executed and delivered, each Related Agreement shall constitute, a valid and binding agreement of such Person.

ARTICLE 5A

CONDITIONS TO FIRST CLOSING

SECTION 5A.1. Conditions to Obligations of the Parties. The obligations of each party to consummate the First Closing are subject to the satisfaction of the following conditions:

(i) any applicable waiting period under the HSR Act relating to the consummation of the First Closing and the transactions contemplated by the Reorganization Agreement and the other agreements referred to herein or therein shall have expired or been terminated;

(ii) no provision of any applicable law or regulation and no judgment, injunction, order or decree shall prohibit the consummation of the First Closing or the transactions contemplated by the Reorganization Agreement and the other agreements referred to herein or therein;

(iii) all actions by or in respect of or filings with any governmental body, agency, official or authority required to permit the consummation of the First Closing and the transactions contemplated by the Reorganization Agreement and the other agreements referred to herein or therein shall have been taken, made or obtained;

(iv) the Related Agreements, the Board Representation Agreement, the Reorganization Agreement and the Ancillary Agreements (as defined in the Reorganization Agreement) shall have been executed

and delivered by each of the parties thereto and shall be in full force and effect; and

(v) the certificate of incorporation and bylaws of Micro shall be substantially in the forms attached as Exhibits E and F, respectively.

SECTION 5A.2. Conditions to Obligation of the Ingram Companies. The obligation of each Ingram Company to consummate the First Closing is subject to the satisfaction of the following further conditions:

(i) (A) each Holder shall have performed in all material respects all of its obligations under this Agreement and any other agreement, certificate or other writing delivered in connection herewith required to be performed by it on or prior to the First Closing Date and (B) the representations and warranties of each Holder contained in this Agreement and in any other agreement, certificate or other writing delivered in connection herewith shall be true at and as of the First Closing Date, as if made at and as of such date;

(ii) (A) a ruling (the "Micro Tax Ruling") with respect to the federal income tax consequences of the transactions contemplated by Section 2.2 and by the Reorganization Agreement and the other agreements referred to herein and therein in form and substance reasonably satisfactory to Industries (and which may be in the same ruling as the Entertainment Tax Ruling) shall have been received and shall not have been revoked and (B) nothing shall have come to the attention of the Board of Directors of Industries that causes them to conclude, after consideration of advice of tax counsel and all other facts and circumstances that they deem appropriate, that significant questions exist as to the validity of the Micro Tax Ruling as applied to the transactions contemplated hereby and by the Reorganization Agreement and the other agreements referred to herein and therein;

(iii) each Ingram Company shall have received an opinion of McDermott, Will & Emery, counsel to the Investment Manager, dated the date of the First Closing, to the effect that the transactions contemplated to be entered into by the Thrift Plan at the First Closing and the consummation thereof will not constitute prohibited transactions under Section 406 of the Employee Retirement Income Security Act of 1974, as amended, or Section 4975 of the Internal Revenue Code of 1986, as amended;

(iv) all third party non-governmental consents, authorizations and approvals required in connection with the consummation of the First Closing and the transactions contemplated by the Reorganization Agreement and the other agreements referred to herein or therein shall have been received, in each case in form and substance reasonably satisfactory to Industries, and no such consent, authorization or approval shall have been revoked;

(v) all receivables, payables and other liabilities (other than loans made to or by any stockholder of Industries and other than purchases and sales of goods in the ordinary course of business) owing between Industries, Entertainment or any of their respective Subsidiaries, on the one hand, and Micro or any of its Subsidiaries, on the other hand, shall have been settled and repaid;

(vi) agreements relating to the transactions referred to on Schedule 5A.2(vi) shall have been executed and delivered by the parties thereto and shall be in full force and effect, and the conditions to closing of each such agreement shall have been satisfied;

(vii) the Offer Period referred to in Section 2.4 shall have expired; and

(viii) the exchanges and conversions contemplated to occur on or prior to the First Closing by the Amended and Restated Stock Option, SAR and ISU Conversion and Exchange Agreement substantially in the form attached as Exhibit D hereto shall have occurred (or shall occur concurrently with the First Closing).

SECTION 5A.3. Conditions to Obligation of the Holders. The obligation of each Holder to consummate the First Closing is subject to the satisfaction of the following further conditions that (i) each Ingram Company shall have performed in all material respects all of its obligations under this Agreement and any other agreement, certificate or other writing delivered in connection herewith required to be performed by it at or prior to the First Closing Date and (ii) the representations and warranties of each Ingram Company contained in this Agreement and in any other agreement, certificate or other writing delivered in connection herewith shall be true at and as of the First Closing Date, as if made at and as of such date.

SECTION 5A.4. Conditions to Obligation of Certain Stockholders. The obligation of each of the Family Stockholders and the QTIP to consummate the First Closing is subject to the satisfaction of the further conditions that (i) the Micro Tax Ruling, in form and substance reasonably satisfactory to each of the Family Stockholders and the QTIP, shall have been received and shall not have been revoked and (ii) nothing shall have come to the attention of any Family Stockholder or the QTIP that causes them to conclude, after consideration of advice of tax counsel and all other facts and circumstances that they deem appropriate, that significant questions exist as to the validity of the Micro Tax Ruling as applied to the transactions contemplated hereby and by the Reorganization Agreement and the other agreements referred to herein and therein.

SECTION 5A.5. Conditions to Obligation of the Thrift Plan. The obligation of the Thrift Plan to consummate the First Closing is subject to the satisfaction of the following further conditions:

(i) the Thrift Plan shall have received an opinion dated the date of the First Closing of McDermott, Will & Emery, counsel to the Investment Manager, in form and substance satisfactory to the trustees of the Thrift Plan, to the effect that the transactions to be entered into by the Thrift Plan, at the First Closing and the consummation thereof will not constitute prohibited transactions under Section 406 of the Employee Retirement Income Security Act of 1974, as amended, or Section 4975 of the Internal Revenue Code of 1986, as amended;

(ii) the Investment Manager of the Thrift Plan shall have received a written opinion from Houlihan, Lokey, Howard & Zukin ("HLH&Z") to the effect that (A) the fair market value of the shares of Micro Common Stock to be received by the Thrift Plan pursuant to Section 2.2 is at least equal to the fair market value of the Exchange Securities of the Thrift Plan and (B) the terms and conditions of the Exchange are fair and reasonable to the Thrift Plan from a financial point of view;

(iii) the Investment Manager shall have provided the written direction to the trustees of the Thrift Plan contemplated under Section 2.2(b)(i); and

(iv) Nothing shall have come to the attention of the Investment Manager that causes it to conclude that its decision to exchange the Thrift Plan's shares of Industries Common Stock for Micro Common Stock was not prudent or in the best interest of the Thrift Plan participants and beneficiaries.

ARTICLE 5B

CONDITIONS TO SECOND CLOSING

SECTION 5B.1. Conditions to Obligations of the Parties. The obligations of Industries, Entertainment and each Holder that is a member of the Entertainment Group to consummate the Second Closing are subject to the satisfaction of the following conditions:

(i) any applicable waiting period under the HSR Act relating to the consummation of the Second Closing and the transactions contemplated by the Reorganization Agreement and the other agreements referred to herein or therein shall have expired or been terminated;

(ii) no provision of any applicable law or regulation and no judgment, injunction, order or decree shall prohibit the consummation of the Second Closing or the transactions contemplated by the Reorganization Agreement and the other agreements referred to herein or therein; and

(iii) all actions by or in respect of or filings with any governmental body, agency, official or authority required to permit the consummation of the Second Closing and the transactions contemplated by the Reorganization Agreement and the other agreements referred to herein or therein shall have been taken, made or obtained.

SECTION 5B.2. Conditions to Obligation of Industries and Entertainment. The obligation of Industries and Entertainment to consummate the Second Closing is subject to the satisfaction of the following further conditions:

(i) (A) each Holder that is a member of the Entertainment Group shall have performed in all material respects all of its obligations under this Agreement and any other agreement, certificate or other writing delivered in connection herewith required to be performed by it on or prior to the Second Closing Date and (B) the representations and warranties of each Holder that is a member of the Entertainment Group contained in this Agreement and in any other agreement, certificate or other writing delivered in connection herewith shall be true at and as of the Second Closing Date, as if made at and as of such date;

(ii) (A) a ruling (the "Entertainment Tax Ruling") with respect to the federal income tax consequences of the transactions contemplated by Section 2.3 and the other agreements referred to herein in form and substance reasonably satisfactory to Industries (and which may be in the same ruling as the Micro Tax Ruling) shall have been received and shall not have been revoked and (B) nothing shall have come to the attention of the Board of Directors of Industries that causes them to conclude, after consideration of advice of tax counsel and all other facts and circumstances that they deem appropriate, that significant questions exist as to the validity of the Entertainment Tax Ruling as applied to the transactions contemplated hereby and the other agreements referred to herein;

(iii) all third party non-governmental consents, authorizations and approvals required in connection with the consummation of the Second Closing and the transactions contemplated by the Reorganization Agreement and the other agreements referred to herein or therein shall have been received, in each case in form and

substance reasonably satisfactory to Industries, and no such consent, authorization or approval shall have been revoked;

(iv) all receivables, payables and other liabilities (other than loans made to or by any stockholder of Industries and other than purchases and sales of goods in the ordinary course of business) owing between Industries or any of its Subsidiaries, on the one hand, and Entertainment or any of its Subsidiaries, on the other hand, shall have been settled and repaid; and

(v) the exchanges and conversions contemplated to occur on or prior to the Second Closing by the Amended and Restated Stock Option, SAR and ISU Conversion and Exchange Agreement substantially in the form attached as Exhibit D hereto shall have occurred (or shall occur concurrently with the Second Closing).

SECTION 5B.3. Conditions to Obligation of Certain Holders. The obligation of each Holder that is a member of the Entertainment Group to consummate the Second Closing is subject to the satisfaction of the following further conditions that (i) each of Industries and Entertainment shall have performed in all material respects all of its obligations under this Agreement and any other agreement, certificate or other writing delivered in connection herewith required to be performed by it at or prior to the Second Closing Date and (ii) the representations and warranties of Industries and Entertainment contained in this Agreement and in any other agreement, certificate or other writing delivered in connection herewith shall be true at and as of the Second Closing Date, as if made at and as of such date.

SECTION 5B.4. Conditions to Obligation of David B. Ingram. The obligation of David B. Ingram to consummate the Second Closing is subject to the satisfaction of the further conditions that (i) the Entertainment Tax Ruling, in form and substance reasonably satisfactory to David B. Ingram, shall have been received and shall not have been revoked and (ii) nothing shall have come to the attention of David B. Ingram that causes him to conclude, after consideration of all other facts and circumstances that he deems appropriate, that significant questions exist as to the validity of the Entertainment Tax Ruling as applied to the transactions contemplated hereby and the other agreements referred to herein.

ARTICLE 6

CERTAIN AGREEMENTS; TAX MATTERS

SECTION 6.1. Tax Representation and Covenant of the Holders. Each Holder hereby represents and warrants to each Ingram Company as of September 4, 1996, as of the First Closing Date and, if such Holder is a member of the Entertainment Group, as of the Second Closing Date, that there is no plan or intention by such Holder to sell, exchange, transfer by gift or otherwise dispose of any of such Holder's stock in any of the Ingram Companies subsequent to the Exchange. Each Holder that is a member of the Entertainment Group hereby agrees not to sell, exchange, or otherwise transfer any of such Holder's shares of Entertainment Common Stock subsequent to the Second Closing to any entity formed for the purpose of holding all of the outstanding shares of Entertainment Common Stock unless such Holder first obtains an opinion from recognized tax counsel acceptable to the Ingram Companies, or a ruling from the Internal Revenue Service, that such sale, exchange, transfer or other disposition will not affect the qualification of the transactions contemplated by this Agreement for tax-free treatment under Section 355 of the Internal Revenue Code of 1986, as amended.

SECTION 6.2. Tax Representation of the Ingram Companies. Each Ingram Company represents and warrants to each Holder as of September 4, 1996 and as of the First Closing Date that such Ingram Company has no plan or intention to liquidate, merge or consolidate with any other Person, or to sell or otherwise dispose of its assets other than in the ordinary course of business following the First Closing. Each of Industries and Entertainment further represents and warrants to each Holder as of September 4, 1996 and as of the Second Closing Date that it has no plan or intention to liquidate, merge or consolidate with any other Person, or to sell or otherwise dispose of its assets other than in the ordinary course of business following the Second Closing.

SECTION 6.3. Tax Covenant. Each Ingram Company covenants that, during the two-year period following the First Closing (and, with respect to Industries and Entertainment, during the two-year period following the Second Closing), it will not, and will not enter into any agreement to, (i) liquidate, merge or consolidate with any other Person, or sell, exchange, distribute or otherwise dispose of any material asset other than in the ordinary course of business; (ii) redeem or reacquire any of its capital stock transferred pursuant to this Agreement (except for the redemption of the stock held by an employee or by the Thrift Plan on behalf of an employee upon the employee's termination or death in accordance with the terms of (x) an applicable stock purchase agreement or a repurchase agreement referred to in Section 4.4 of the Reorganization Agreement, (y) Section 2.6 or Section 2.7(a)(ii) of the Transfer Restrictions Agreement or (z) the Thrift Plan Liquidity Agreement) or, in the case of Industries, any of the Industries common stock outstanding as of the First Closing or the Second Closing, as the case may be, that is not transferred pursuant to this Agreement (except for the redemption of the stock held by an employee upon such employee's termination or death in accordance with the terms of an applicable stock purchase agreement or a repurchase agreement referred to in Section 4.4 of the Reorganization Agreement); (iii) cease to conduct the principal active trade or business conducted by it during the five years immediately preceding the First Closing or the Second Closing, as the case may be; or (iv) otherwise take any actions inconsistent with the facts and representations set forth in the Tax Ruling; provided that such Ingram Company may take an action

inconsistent with any of the foregoing covenants if it first obtains an opinion from recognized tax counsel acceptable to the other Ingram Companies, or a ruling from the Internal Revenue Service, that such action will not affect the qualification of the transactions contemplated by this Agreement for tax-free treatment under Section 355 of the Internal Revenue Code of 1986, as amended.

SECTION 6.4. Agreements of Investment Manager. (a) The Investment Manager represents and warrants to each Holder as of September 4, 1996 that it has received written confirmation, attached hereto as Schedule 6.4, from HLH&Z that HLH&Z will deliver the opinion contemplated pursuant to Section 5A.5(ii), provided that, immediately after the First Closing (and without giving effect to any shares of Micro Common Stock to be issued in the initial public offering of Micro), the Thrift Plan will own shares of Micro Common Stock representing not less than 9.1% (as adjusted to reflect rounding and any sale of Micro Common Stock to the Chief Executive Officer of Micro) of all shares of Micro Common Stock outstanding at such time.

(b) The Investment Manager hereby agrees to cooperate with the Ingram Companies and HLH&Z in connection with obtaining the opinion from HLH&Z referred to in Section 5A.5(ii). The Investment Manager hereby further agrees to deliver the written direction to the trustees of the Thrift Plan referred to in Section 2.2(b)(i) and 5A.5(iii) promptly following receipt of such HLH&Z opinion.

(c) The Investment Manager hereby agrees (i) to deliver to the trustees of the Thrift Plan the written direction contemplated pursuant to Section 2.2(b)(i), provided that the applicable conditions to the obligation of the Thrift Plan set forth in Article 5A are satisfied or waived and (ii) to direct the trustees of the Thrift Plan to enter into the Exchange Agreement on behalf of the Thrift Plan.

SECTION 6.5. True-Up. (a) (i) Subject to Section 6.5(b), each Ingram Company hereby agrees that, at or immediately prior to the First Closing, the Adjustment Amount (as defined below) shall be allocated 23.01% to Industries, 72.84% to Micro and 4.15% to Entertainment. Such allocation shall be made through appropriate adjustments effected by way of dividends or capital contributions to balance (A) the actual amount which each of Industries, Micro and Entertainment and their respective Subsidiaries have contributed to the Adjustment Amount with (B) the respective share of the Adjustment Amount to be allocated to each of them pursuant to the foregoing sentence. As used herein, "Adjustment Amount" shall mean the sum of (i) consolidated net income as reported in Industries' unaudited interim financial statements for the period (the "Initial Adjustment Period") commencing January 1, 1996 and ending (x) on the last day of the full accounting month ended immediately prior to the First Closing Date (if the First Closing Date occurs later than the 15th day of the month) or (y) the last day of the second full accounting month ended prior to the First Closing Date (if the First Closing Date occurs on or prior to the 15th day of the month) and (ii) the consolidated net income of Industries, as projected by Industries, for the period commencing on the first day following the end of the Initial Adjustment Period and ending on the last day of the fiscal year, assuming for purposes of this clause (ii) that the First Closing does not occur during such fiscal year; provided that the Adjustment Amount shall be determined without giving effect to (a) any net income or losses related to IMS or IPSI (each, as defined in the Reorganization Agreement), (b) the after-tax effect of the Industries LIFO provision for such period, (c) any accrual for expenses related to the transactions contemplated hereby, by the Related Agreements, by the Reorganization Agreement or by the Ancillary Agreements (as defined in the Reorganization Agreement), (d) any non-cash charges related to Micro's stock option plans or (e) any expenses referred to in Section 7.12 of this Agreement; provided further that the Adjustment Amount shall be increased or decreased by such other amounts as the Ingram Companies may agree.

(ii) Subject to Section 6.5(b), each of Industries and Entertainment hereby agree that, at or prior to the Second Closing, the Adjustment Amount shall be recalculated; provided that for purposes of such recalculation, the consolidated net income of Industries for the period commencing on the first day following the end of the Initial Adjustment Period and ending on the last day of the fiscal year during which the First Closing occurred shall be based on the actual net income of Industries and its Subsidiaries and Entertainment and its Subsidiaries during such period (with the net income of Micro and its Subsidiaries continuing to be as projected in Section 6.5(a)). Such recalculation shall continue to assume that the First Closing did not occur during such fiscal year. Following such recalculation, appropriate adjustments shall be made between Industries and Entertainment in the manner described in Section 6.5(a)(i) such that, after taking into account any adjustments made at or immediately prior to the First Closing pursuant to Section 6.5(a)(i), the recalculated Adjustment Amount shall (to the extent possible) be allocated 23.01% to Industries and 4.15% to Entertainment.

(b) Notwithstanding anything herein to the contrary, the parties agree that, in consideration of distributions to Industries previously made by Micro and Entertainment, no costs and expenses shall be allocated to, and no liabilities or obligations shall be assumed or borne by, Micro or Entertainment pursuant to Section 6.5(a) or Section 7.12 of this Agreement or pursuant to Article 3 of the Reorganization Agreement, until the aggregate of such costs, expenses, liabilities and obligations shall exceed $20,778,000, in the case of Micro, or $1,160,000, in the case of Entertainment, in which event such allocation or assumption shall be made only to the extent of such excess. To the extent that the aggregate of such costs, expenses, liabilities and obligations is less than $20,778,000 in the case of Micro, or $1,160,000 in the case of Entertainment, Industries shall make a payment in the amount of such difference to Micro or Entertainment, as the case may be.

SECTION 6.6. Termination of Stock Purchase Agreement Obligations. Industries and each Holder who is a party to a stock purchase

agreement with Industries hereby acknowledges that all obligations of the other party to such stock purchase agreement will cease with respect to all shares of Industries common stock of such Holder that are exchanged for shares of Micro Common Stock or Entertainment Common Stock pursuant to this Agreement. Such cessation shall be effective at the First Closing with respect to shares of Industries common stock exchanged for Micro Common Stock and at the Second Closing with respect to shares of Industries common stock exchanged for Entertainment Common Stock.

SECTION 6.7. Cooperation. Each Holder agrees to cooperate with Micro in connection with the initial registered public offering of shares of Micro Common Stock. Without limiting the generality of the foregoing, each Holder agrees to execute and deliver such documents, certificates, agreements and other writings (including without limitation any lock-up agreement requested by the underwriters) and to take such other actions requested by Micro in connection with the consummation of such initial public offering.

SECTION 6.8. Issuance of Entertainment Common Stock. The parties hereto agree that if a stock option of Industries is exercised by a Person listed on Annex I as being a member of the Entertainment Group after the First Closing Date and prior to the Option Record Date, Industries shall subscribe for, and shall cause Entertainment to issue, 3.68 shares of Entertainment Common Stock for each option to purchase one share of Industries Common Stock that is so exercised (which aggregate number of shares of Entertainment Common Stock issued in respect of the exercise of stock options by any such member of the Entertainment Group shall be rounded up to the nearest whole share). In consideration for such issuance, Industries shall make a capital contribution to Entertainment in an amount equal to the sum of (i) the aggregate exercise price received by Industries in connection with any such exercise and (ii) the estimated tax benefit to be realized by Industries as a result of any such exercise of nonqualified options.

ARTICLE 7

MISCELLANEOUS

SECTION 7.1. Headings. The headings in this Agreement are for convenience of reference only and shall not control or affect the meaning or construction of any provision hereof.

SECTION 7.2. Entire Agreement. This Agreement, the Board Representation Agreement, the Related Agreements, the Reorganization Agreement and the Ancillary Agreements (as defined in the Reorganization Agreement) constitute the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein. This Agreement and such other agreements supersede all prior agreements and understandings between the parties hereto and thereto with respect to the subject matter hereof and thereof.

SECTION 7.3. Notices. Any notice, request, instruction or other document to be given hereunder by any party hereto to another party hereto shall be in writing (including telecopier or similar writing) and shall be given to such party at its address set forth on the signature pages hereof, or to such other address as the party to whom notice is to be given may provide in a written notice to the party giving such notice, a copy of which written notice shall be on file with the Secretary of Industries. If notice is given pursuant to this Section of a permitted successor or assign of a party to this Agreement, then notice shall thereafter be given as set forth above to such successor or assign of such party to this Agreement. Each such notice, request or other communication shall be effective (i) if given by telecopy, when such telecopy is transmitted to the telecopy number specified on the signature pages hereof and electronic or oral confirmation of receipt is received, (ii) if given by mail, at the close of business on the third business day after such communication is deposited in the mails with first class postage prepaid addressed as aforesaid or (iii) if given by any other means, when delivered at the address specified in this Section 7.3.

SECTION 7.4. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee without regard to the conflicts of law rules of such state.

SECTION 7.5. Severability. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of this Agreement, including any such provision, in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

SECTION 7.6. Termination. (a) This Agreement may be terminated in its entirety at any time prior to the First Closing at the election of Industries or the holders of a majority of the outstanding shares of Industries Common Stock for any reason or for no reason without any liability to any Person.

(b) This Agreement may be terminated with respect to the transactions contemplated to take place at the Second Closing at any time prior to the Second Closing at the election of Industries or the holders of a majority of the outstanding shares of Industries Common Stock or David B. Ingram for any reason or for no reason without any liability to any Person. This Agreement shall terminate with respect to the transactions contemplated to take place at the Second Closing if the Second Closing does not occur prior to December 31, 1997.

SECTION 7.7. Successors, Assigns, Transferees. No Holder or Ingram Company may assign or otherwise transfer any of its rights under

this Agreement without the consent of each Ingram Company. This Agreement is binding upon the parties to this Agreement and their respective legal representatives, heirs, devisees, legatees, beneficiaries and successors and permitted assigns and inures to the benefit of the parties to this Agreement and their respective permitted legal representatives, heirs, devisees, legatees, beneficiaries and other permitted successors and assigns, if any. Neither this Agreement nor any provision hereof shall be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement, those who agree to be bound hereby and their respective permitted legal representatives, heirs, devisees, legatees, beneficiaries and other permitted successors and assigns. References to a party to this Agreement are also references to any permitted successor or assign of such party and, when appropriate to effect the binding nature of this Agreement for the benefit of another party, any other successor or assign of a party.

SECTION 7.8. Amendments; Waivers. (a) No failure or delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

(b) Neither this Agreement nor any term or provision hereof may be amended or waived except by an instrument in writing:

(i) signed by (x) each of the Family Stockholders, (y) each Ingram Company, following approval of such amendment or waiver by the Board of Directors of such Ingram Company and (z) the Thrift Plan; provided that the Thrift Plan is materially adversely affected by such amendment or waiver; and

(ii) approved by the Holders that are members of each Group which is materially adversely affected by such amendment or waiver (an "Affected Group"); provided that the approval referred to in this clause (ii) shall be deemed to have been received with respect to any Affected Group (A) if Industries has not received written notice of disapproval within ten business days after effective delivery of the proposed amendment or waiver signed by (x) the Holders of at least 66% of the shares of Industries Common Stock (other than shares held by the Family Stockholders and the Thrift Plan) held by all members of such Affected Group (other than the Family Stockholders and the Thrift Plan) and (y) at least 66% of the members (other than the Family Stockholders and the Thrift Plan) of each such Affected Group (the Persons referred to in clause (x) and (y) above are hereinafter referred to as the "Required Holders"), or (B) if the amendment or waiver is signed by the Holders of more than 33% of the shares of Industries Common Stock (other than shares held by the Family Stockholders and the Thrift Plan) held by the members of such Affected Group or by more than 33% of the members (other than the Family Stockholders or the Thrift Plan) of such Affected Group; provided further that for purposes of this clause (ii), the Micro Group shall be divided into two Groups, the first of which shall include the E. Bronson Ingram 1995 Charitable Remainder 5% Unitrust, the Martha and Bronson Ingram Foundation, the E. Bronson Ingram 1994 Charitable Lead Annuity Trust (collectively, the "Charitable Trusts and Foundation") and the QTIP, and the second of which shall include all other members of the Micro Group (other than the Family Stockholders and the Thrift Plan).

(c) Industries shall deliver prompt written notice to each other party hereto of any amendment or waiver to this Agreement approved pursuant to this Section.

(d) Any Holder (other than an Ingram Stockholder, the QTIP, the Charitable Trusts and Foundation or the Thrift Plan) who is materially adversely affected by an amendment approved pursuant to this Section and who did not execute such amendment pursuant to clause (b) above shall have the right to withdraw as a party to this Agreement by written notice to Industries delivered within 10 days following receipt of the notice described in clause (c) above, in which event such Holder shall not participate in the Exchange and shall retain its shares of Industries Common Stock.

SECTION 7.9. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 7.10. Remedies. The parties hereby acknowledge and agree that in the event of any breach of this Agreement, the parties would be irreparably harmed and could not be made whole by monetary damages. Each party hereto accordingly agrees (i) not to assert by way of defense or otherwise that a remedy at law would be adequate, and (ii) in addition to any other remedy to which the parties may be entitled, that the remedy of specific performance of this Agreement is appropriate in any action in court.

SECTION 7.11. Consent to Jurisdiction. Each party hereto irrevocably submits to the non-exclusive jurisdiction of any Tennessee State Court or United States Federal Court sitting in the Middle District of Tennessee over any suit, action or proceeding arising out of or relating to this Agreement. Each party hereto (other than any Ingram Company) hereby irrevocably appoints CT Corporation System as its authorized agent to accept and acknowledge on its behalf service of any and all process which may be served in any such suit, action or proceeding in any such court and represents and warrants that such agent has accepted such appointment. Each party hereto consents to process being served in any such suit, action or proceeding by serving a copy thereof upon the agent for service of process, provided that to

the extent lawful and possible, written notice of such service shall also be mailed to such party. Each party hereto waives any right it may have to assert the doctrine of forum non conveniens or to object to venue to the extent any proceeding is brought in accordance with this Section 7.11. Nothing in this paragraph shall affect or limit any right to serve process in any manner permitted by law, to bring proceedings in the courts of any jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

SECTION 7.12. Expenses. (a) Subject to Section 6.5(b), all costs and expenses of the Ingram Companies (i) incurred as a result of services provided by third parties in connection with the preparation of this Agreement, the Reorganization Agreement, the Ancillary Agreements (as defined in the Reorganization Agreement) and the Related Agreements and the consummation of the transactions contemplated hereby and thereby (including without limitation (x) rating agency fees incurred in connection with the refinancings referred to in Section 5.2(vi), (y) expenses incurred in connection with the Tax Ruling and (z) fees charged by software vendors in connection with the transfer or replacement (but not enhancement), directly as a result of the consummation of the transactions contemplated hereby, of software packages currently used by the Ingram Companies and related equipment costs) and (ii) incurred by the party providing services pursuant to the Ancillary Agreements as a result of the cessation of such services, shall be borne 23.01% by Industries, 72.84% by Micro and 4.15% by Entertainment, except as otherwise specifically provided in this Agreement, the Reorganization Agreement, any Ancillary Agreement or any Related Agreement; provided that (A) to the extent that any of the costs and expenses referred to in clause (i) or (ii) above are incurred as a result of arrangements pertaining solely to the transactions contemplated by the Second Closing, and to the extent that Micro did not participate in the negotiation of such arrangements, such costs and expenses shall be borne 84.72% by Industries and 15.28% by Entertainment, (B) all costs and expenses incurred in connection with the initial public offering of Micro and the adoption and grant of awards under the 1996 Equity Incentive Plan and 1996 Key Employee Stock Purchase Plan of Micro shall be borne by Micro and (C) rating agency fees incurred in connection with all financings (other than those referred to in Section 5.2(vi)) shall be borne by the party undertaking such financing.

(b) All costs and expenses incurred by the parties to this Agreement (other than the Ingram Companies) in connection with the preparation of this Agreement, the Reorganization Agreement, the Ancillary Agreements and the Related Agreements and the consummation of the transactions contemplated hereby and thereby shall be borne by the party incurring such costs and expenses, except as otherwise specifically provided herein or therein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INGRAM INDUSTRIES INC.

By:_____
Name:
Title:
Address: One Belle Meade Place
4400 Harding Road
Nashville, TN 37205
Telecopy: (615) 298-8242

INGRAM MICRO INC.

By:_____
Name:
Title:
Address: 1600 East Saint Andrew Place
Santa Ana, CA 92705
Telecopy: 714-566-7900

INGRAM ENTERTAINMENT INC.

By:_____
Name:
Title:
Address: Two Ingram Blvd.
La Vergne, TN 37086
Telecopy: 615-287-4985

STATE STREET BANK & TRUST COMPANY

By:_____
Name: Kelly Q. Driscoll
Title: Vice President
Address: Batterymarch Park III
3 Pinehill Drive
Quincy, MA 02169
Telecopy: 617-376-7313

HOLDERS E. BRONSON INGRAM

Q-TIP MARITAL TRUST

By: MARTHA R. INGRAM, ORRIN H. INGRAM, JOHN R. INGRAM, DAVID B. INGRAM AND ROBIN I. PATTON, as Co-Trustees

By:_____
Name: Martha R. Ingram
Title: Co-Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

By:_____
Name: Orrin H. Ingram
Title: Co-Trustee
Address: 1475 Moran Road
Franklin, TN 37069

By:_____
Name: John R. Ingram
Title: Co-Trustee
Address: 311 Jackson Boulevard
Nashville, TN 37205

By:_____
Name: David B. Ingram
Title: Co-Trustee
Address: 4417 Tyne Boulevard
Nashville, TN 37215

By:_____
Name: Robin I. Patton
Title: Co-Trustee
Address: 1600 Chickering Road
Nashville, TN 37215

E. BRONSON INGRAM 1995 CHARITABLE REMAINDER 5% UNITRUST

By: MARTHA R. INGRAM, as Trustee

By:_____
Name: Martha R. Ingram
Title: Trustee
Address: 120 Hillwood Drive
Nashville, TN 37215

MARTHA AND BRONSON INGRAM FOUNDATION

By:_____
Name: John R. Ingram
Title: President
Address: c/o Ingram Industries Inc.
4440 Harding Road
Nashville, TN 37205
(615) 298-8200

E. BRONSON INGRAM 1994 CHARITABLE LEAD ANNUITY TRUST

By: ORRIN H. INGRAM, JOHN R. INGRAM, DAVID B. INGRAM, AND ROBIN B. INGRAM PATTON, as Co-Trustees

By:_____
Name: Orrin H. Ingram
Title: Co-Trustee
Address: 1475 Moran Road
Franklin, TN 37069

By:_____
Name: John R. Ingram
Title: Co-Trustee
Address: 311 Jackson Boulevard
Nashville, TN 37205

By:_____
Name: David B. Ingram
Title: Co-Trustee
Address: 4417 Tyne Boulevard
Nashville, TN 37215

By:_____
Name: Robin B. Ingram Patton
Title: Co-Trustee
Address: 1600 Chickering Road
Nashville, TN 37215

INGRAM THRIFT PLAN

By: W.M. HEAD, R.E. CLAVERIE
AND T.H. LUNN, as Co-Trustees

By:_____
Name: William M. Head
Title: Co-Trustee
Address: 1229 Nichol Lane
Nashville, TN 37205

By:_____
Name: R.E. Claverie
Title: Co-Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

By:_____
Name: T.H. Lunn
Title: Co-Trustee
Address: 509 Sugartree Lane
Franklin, TN 37064

_____
Linwood A. Lacy, Jr.
2304 Cranborne Road
Midlothian, VA 23113

LINWOOD A. LACY, JR.
1996 IRREVOCABLE TRUST DATED
MARCH 24, 1996

By: NATIONSBANK, N.A, as Trustee

By:_____
Name:
Title:
Address: NationsBank, N.A.
Attention: Phil Rudder,
Vice President
12th and Main, 12th Floor
Richmond, VA 23261

_____ _____
Spouse
David W. Rutledge
34 Deerwood East
Irvine, CA 92714

_____ _____
Spouse
Ronald K. Hardaway
2 Moss Glen
Irvine, CA 92715

_____
Victoria L. Cotten
8 Medici
Aliso Viejo, CA 92656

_____
David B. Ingram
4417 Tyne Boulevard
Nashville, TN 37215

DAVID AND SARAH INGRAM
FAMILY 1996 GENERATION SKIPPING TRUST

By: THOMAS H. LUNN, as Trustee

By:_____
Name: Thomas H. Lunn
Title: 509 Sugartree Lane
Address: Franklin, TN 37064

TRUST FOR THE BENEFIT OF
DAVID BRONSON INGRAM,

DATED OCTOBER 27, 1967

By: TRUST COMPANY BANK,
as Successor Trustee

By:_____
Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

TRUST FOR THE BENEFIT OF
DAVID BRONSON INGRAM,

DATED JUNE 14, 1968

By: TRUST COMPANY BANK,
as Successor Trustee

By:_____
Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

TRUST FOR THE BENEFIT OF
DAVID B. INGRAM, DATED DECEMBER 22, 1975

By: TRUST COMPANY BANK,
as Successor Trustee

By:_____
Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

DAVID B. INGRAM IRREVOCABLE TRUST
DATED AUGUST 16, 1988

By: ROY E. CLAVERIE, as Trustee

By:_____
Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

1994 DAVID BRONSON INGRAM TRUST

By: ROY E. CLAVERIE, as Trustee

By:_____
Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

_____
Thomas H. Lunn
509 Sugartree Lane
Franklin, TN 37064

LUNN FAMILY PARTNERS, L.P.

By: LUNN INVESTMENT COMPANY,
as General Partner

By:_____
Name: Thomas H. Lunn
Title: President
Address: 509 Sugartree Lane
Franklin, TN 37064

_____
Philip M. Pfeffer
836 Treemont Court
Nashville, TN 37220

PFEFFER FAMILY PARTNERS, L.P.

By:
as General Partner

By:_____
Name:
Title:
Address: 836 Treemont Court
Nashville, TN 37220

TRUST AGREEMENT OF JUNE 11, 1987
BETWEEN BRONSON AND MARTHA INGRAM,
GRANTORS, AND EDWARD G. NELSON,
TRUSTEE FOR THE BENEFIT OF
JOHN-LINDELL PHILIP PFEFFER

By: EDWARD G. NELSON, as Trustee

By:_____
Name: Edward G. Nelson
Title: Trustee
Address: Nelson Capital Corp.
3401 West End Avenue
Nashville, TN 37203

_____
John-Lindell Philip Pfeffer
Rue General Potton, 29
1050 Brussels
Belgium

TRUST AGREEMENT OF JUNE 11, 1987
BETWEEN BRONSON AND MARTHA INGRAM,
GRANTORS, AND EDWARD G. NELSON, TRUSTEE
FOR THE BENEFIT OF DAVID MAURICE PFEFFER

By: EDWARD G. NELSON, as Trustee

By:_____
Name: Edward G. Nelson
Title: Trustee
Address: Nelson Capital Corp.
3401 West End Avenue
Nashville, TN 37203

TRUST AGREEMENT OF JUNE 11, 1987
BETWEEN BRONSON AND MARTHA INGRAM,
GRANTORS, AND EDWARD G. NELSON,
TRUSTEE FOR THE BENEFIT OF
JAMES HOWARD PFEFFER

By: EDWARD G. NELSON, as Trustee

By:_____
Name: Edward G. Nelson
Title: Trustee
Address: Nelson Capital Corp.
3401 West End Avenue
Nashville, TN 37203

_____
Roy E. Claverie
6107 Hickory Valley Road
Nashville, TN 37205

ROY E. CLAVERIE, JR.
1996 VESTED TRUST

By: WILLIAM S. JONES, as Trustee

By:_____
Name: William S. Jones
Title: Trustee
Address: 6015 Wellesley Way
Brentwood, TN 37027

ROY E. CLAVERIE, JR.
1996 GENERATION SKIPPING TRUST

By: WILLIAM S. JONES, as Trustee

By:_____
Name: William S. Jones
Title: Trustee
Address: 6015 Wellesley Way
Brentwood, TN 37027

KEITH J. CLAVERIE, JR.
1996 VESTED TRUST

By: WILLIAM S. JONES, as Trustee

By:_____
Name: William S. Jones
Title: Trustee
Address: 6015 Wellesley Way
Brentwood, TN 37027

KEITH J. CLAVERIE, JR.
1996 GENERATION SKIPPING TRUST

By: WILLIAM S. JONES, as Trustee

By:_____
Name: William S. Jones
Title: Trustee
Address: 6015 Wellesley Way
Brentwood, TN 37027

TRUST AGREEMENT OF JUNE 11, 1987
BETWEEN BRONSON AND MARTHA INGRAM,
GRANTORS, AND EDWARD G. NELSON,
TRUSTEE FOR THE BENEFIT OF
KEITH JOSEPH CLAVERIE

By: EDWARD G. NELSON, as Trustee

By:_____
Name: Edward G. Nelson
Title: Trustee
Address: Nelson Capital Corp.
3401 West End Avenue
Nashville, TN 37203

TRUST AGREEMENT OF JUNE 11, 1987
BETWEEN BRONSON AND MARTHA INGRAM,
GRANTORS, AND EDWARD G. NELSON,
TRUSTEE FOR THE BENEFIT OF
ROY EDWARD CLAVERIE, JR.

By: EDWARD G. NELSON, as Trustee

By:_____
Name: Edward G. Nelson
Title: Trustee
Address: Nelson Capital Corp.
3401 West End Avenue
Nashville, TN 37203

_____
Roy E. Claverie, Jr.
6107 Hickory Valley Road
Nashville, TN 37205

_____

David F. Sampsell
420 Welshwood #47
Nashville, TN 37211

_____

Steven J. Mason
1318 Chickering Road
Nashville, TN 37215

THE DAVID C. MASON
1996 GENERATION SKIPPING TRUST

By: LINDA L. MASON AND
MICHAEL G. MASON, as Co-Trustees

By:_____
Name: Linda L. Mason
Title: Co-Trustee
Address: 1318 Chickering Road
Nashville, TN 37215

By:_____
Name: Michael G. Mason
Title: Co-Trustee
Address: 1318 Chickering Road
Nashville, TN 37215

THE MICHAEL G. MASON
1996 GENERATION SKIPPING TRUST

By: LINDA L. MASON AND
STEVEN J. MASON, JR., as Co-Trustees

By:_____
Name: Linda L. Mason
Title: Co-Trustee
Address: 1318 Chickering Road
Nashville, TN 37215

By:_____
Name: Steven J. Mason, Jr.
Title: Co-Trustee
Address: 1318 Chickering Road
Nashville, TN 37215

THE STEVEN J. MASON, JR.
1996 GENERATION SKIPPING TRUST

By: LINDA L. MASON AND DAVID C. MASON,
as Co-Trustees

By:_____
Name: Linda L. Mason
Title: Co-Trustee
Address: 1318 Chickering Road
Nashville, TN 37215

By:_____
Name: David C. Mason
Title: Co-Trustee
Address: 1318 Chickering Road
Nashville, TN 37215

_____

Neil N. Diehl
6 Castle Rising
Nashville, TN 37215

_____

W. Michael Head
1229 Nichol Lane
Nashville, TN 37205

_____

David L. Hettinger
5010 Woodland Hills Drive
Nashville, TN 37211

_____

Lavona G. Russell
9549 Butler Drive
Brentwood, TN 37027

_____

Michael F. Lovett
1013 Beech Grove Road
Brentwood, TN 37027

_____

William S. Jones
6015 Wellesley Way
Brentwood, TN 37027

_____

James F. Neal
c/o Neal & Harwell
2000 One Nashville Place
150 Fourth Avenue, North
Nashville, TN 37219

_____

Martha R. Ingram
120 Hillwood Drive
Nashville, TN 37215

_____

Orrin H. Ingram, II
1475 Moran Road
Franklin, TN 37069

TRUST FOR THE BENEFIT OF ORRIN HENRY INGRAM, II, DATED

OCTOBER 27, 1967

By: TRUST COMPANY BANK,
as Successor Trustee

By:_____
Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

TRUST FOR THE BENEFIT OF ORRIN HENRY INGRAM, II, DATED JUNE 14, 1968

By: TRUST COMPANY BANK,
as Successor Trustee

By:_____
Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

TRUST FOR THE BENEFIT OF ORRIN H. INGRAM, II, DATED DECEMBER 22, 1975

By: TRUST COMPANY BANK,
as Successor Trustee

By:_____
Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank

Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

ORRIN H. INGRAM IRREVOCABLE
TRUST DATED AUGUST 16, 1988

By: ROY E. CLAVERIE, as
Trustee

By:_____
Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

1994 ORRIN HENRY INGRAM TRUST

By: ROY E. CLAVERIE, as Trustee

By:_____
Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

_____
John R. Ingram
311 Jackson Boulevard
Nashville, TN 37205

THE JOHN AND STEPHANIE INGRAM
FAMILY 1996 GENERATION SKIPPING TRUST

By: WILLIAM S. JONES, as Trustee

By:_____
Name: William S. Jones
Title: Trustee
Address: 6015 Wellesley Way
Brentwood, TN 37027

TRUST FOR THE BENEFIT OF JOHN
RIVERS INGRAM, DATED OCTOBER 27, 1967

By: TRUST COMPANY BANK,
as Successor Trustee

By:_____
Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

TRUST FOR THE BENEFIT OF JOHN RIVERS
INGRAM, DATED JUNE 14, 1968

By: TRUST COMPANY BANK,
as Successor Trustee

By:_____
Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

TRUST FOR THE BENEFIT OF JOHN R.
INGRAM, DATED DECEMBER 22, 1975

By: TRUST COMPANY BANK,
as Successor Trustee

By:_____
Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

JOHN R. INGRAM IRREVOCABLE TRUST
DATED AUGUST 16, 1988

By: ROY E. CLAVERIE, as Trustee

By:_____
Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

1994 JOHN RIVERS INGRAM TRUST

By: ROY E. CLAVERIE, as Trustee

By:_____
Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

_____
Robin B. Ingram Patton
1600 Chickering Road
Nashville, TN 37215

TRUST FOR THE BENEFIT OF ROBIN
INGRAM, DATED OCTOBER 27, 1967

By: TRUST COMPANY BANK,
as Successor Trustee

By:_____
Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

TRUST FOR THE BENEFIT OF ROBIN
BIGELOW INGRAM, DATED JUNE 14, 1968

By: TRUST COMPANY BANK,
as Successor Trustee

By:_____
Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower
25 Park Place, 2nd Floor
Atlanta, GA 30303

TRUST FOR THE BENEFIT OF
ROBIN B. INGRAM, DATED DECEMBER 22, 1975

By: TRUST COMPANY BANK,
as Successor Trustee

By:_____
Name: Thomas A. Shanks, Jr.
Title: First Vice President
Address: Trust Company Bank
Trust Company of Georgia
Attn: Thomas A. Shanks, Jr.
Trust Company Tower

25 Park Place, 2nd Floor
Atlanta, GA 30303

ROBIN B. INGRAM IRREVOCABLE
TRUST DATED AUGUST 16, 1988

By: ROY E. CLAVERIE, as Trustee

By:_____
Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

1994 ROBIN INGRAM PATTON TRUST

By ROY E. CLAVERIE, as Trustee

By:_____
Name: Roy E. Claverie
Title: Trustee
Address: 6107 Hickory Valley Road
Nashville, TN 37205

_____
Pankaj B. Shah
1201 Parker Place
Brentwood, TN 37027-7002

_____
S. Ray Taylor
3280 Central Valley Road
Murfreesboro, TN 37219

_____
Jacob S. Sherman
215 Lauderdale Road
Nashville, TN 37205

_____
Susan R. Flaster
144 September Drive
La Vergne, TN 37086

ANNEX II

Family Stockholders

David B. Ingram

David and Sarah Ingram Family 1996 Generation Skipping Trust

Trust for the Benefit of David Bronson Ingram,
Dated October 27,1967

Trust for the Benefit of David Bronson Ingram,
Dated June 14, 1968

Trust for the Benefit of David B. Ingram,
Dated December 22, 1975

David B. Ingram Irrevocable Trust
Dated August 16, 1988

1994 David Bronson Ingram Trust

Martha R. Ingram

Orrin H. Ingram, II

Trust for the Benefit of Orrin Henry Ingram, II,
Dated October 27, 1967

Trust for the Benefit of Orrin Henry Ingram, II,
Dated June 14, 1968

Trust for the Benefit of Orrin H. Ingram, II,
Dated December 22, 1975

Orrin H. Ingram Irrevocable Trust
Dated August 16, 1988

1994 Orrin Henry Ingram Trust

John R. Ingram

John and Stephanie Ingram Family
1996 Generation Skipping Trust

Trust for the Benefit of John Rivers Ingram,
Dated October 27, 1967

Trust for the Benefit of John Rivers Ingram,
Dated June 14, 1968

Trust for the Benefit of John R. Ingram,
Dated December 22, 1975

John R. Ingram Irrevocable Trust
Dated August 16, 1988

1994 John Rivers Ingram Trust

Robin B. Ingram Patton

Trust for the Benefit of Robin Ingram,
Dated October 27, 1967

Trust for the Benefit of Robin Bigelow Ingram,
Dated June 14, 1968

Trust for the Benefit of Robin B. Ingram,
Dated December 22, 1975

Robin B. Ingram Irrevocable Trust
Dated August 16, 1988

1994 Robin Ingram Patton Trust

EXHIBIT 10.23

Annex X

INGRAM FUNDING MASTER TRUST

DEFINITIONS

As used herein the following terms shall include in the singular number the plural and in the plural number the singular:

"Account Collateral" shall have the meaning assigned to such term in Section 1 (iii) of the Security Agreement.

"Accrued Interest Component", when used with respect to the Commercial Paper, shall mean, for any period of determination thereof, the Interest Component of all Commercial Paper outstanding at any time during such period which has accrued from the first day through the last day of such period, whether or not such Commercial Paper matures during such period or thereafter. For purposes of the immediately preceding sentence, the portion of the Interest Component of any Commercial Paper accrued in a period shall be expressed as a fraction the numerator of which is the number of days elapsed that such Commercial Paper was Outstanding during such period and the denominator of which is the number of days such Commercial Paper was or is scheduled to be Outstanding.

"Adjusted Eligible Receivables" shall mean, for any Business Day, the aggregate amount of Eligible Receivables minus the sum of (i) the aggregate amount of Eligible Receivables for any Obligor in excess of the Concentration Limit for such Obligor at the end of the prior Business Day and (ii) the aggregate amount of Excess Term Receivables for such Business Day, provided, that to the extent that the amount of an Eligible Receivable could be included in both clauses (i) and (ii) above, for purposes of calculating Adjusted Eligible Receivables the amount of such Eligible Receivable shall only be excluded from the aggregate amount of Eligible Receivables once.

"Adjusted Eligible Principal Receivables" shall mean, for any Business Day, the product of (i) Adjusted Eligible Receivables for such Business Day, multiplied by (ii) 100% minus the Discount Factor as of the most recent Determination Date.

"Adjusted Liquidity Commitment" shall mean, on any day, the obligation of the Banks to make Loans in an aggregate principal amount at any one time outstanding not to exceed the amount set forth in clauses (i) or (ii), as applicable, of the definition of Liquidity Commitment, in each case minus the aggregate amount of all LOC Disbursements outstanding on such day.

"Advance Rate" shall mean on any day 100% minus the Discount Factor on such day.

"Advances" shall mean at the time any determination thereof is made (1) the Principal Component of all Outstanding Commercial Paper, plus (2) the aggregate principal amount of outstanding Loans, less (3) the proceeds of Commercial Paper issued or to be issued on the day of determination (to the extent such Commercial Paper is included in clause (1) above) to be applied on such day to the payment of the Principal Component of any Outstanding Commercial Paper or to the payment of the principal amount of outstanding Loans, less (4) the collected funds then on deposit in the Commercial Paper Account for application on the day of determination to the payment of the Principal Component of any Outstanding Commercial Paper, except to the extent that the funds described under this clause (4) are (x) included in clause (3) above or (y) then subject to any writ, order, stay, judgment, warrant of attachment, execution or similar process, less (5) the funds then on deposit in the Principal Account of the Collateral Account and less (6) the proceeds of Loans made or to be made on the day of determination to be applied on such day to the repayment of Commercial Paper to the extent that such Loans are included in clause (2) above.

"Adverse Claim" shall mean any lien, claim, security interest, mortgage, deed of trust, priority, pledge, charge, conditional sale, title retention agreement, financing lease, encumbrance, option or similar right of any other Person or any agreement to give any of the foregoing other than as expressly permitted under the Facilities Documents.

"Affiliate" of any Person shall mean any other Person controlling, controlled by or under common control with such 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. As used herein, "control" of a specified Person shall mean the ability to direct or cause the direction of the management and policies of the specified Person, whether through the direct or indirect ownership of the voting securities of such specified Person, by contract or otherwise.

"Aggregate CP Matured Value" shall mean, on any date, the sum of the CP Matured Values of all Commercial Paper Outstanding on such date.

"Aggregate Eligible Principal Receivables" shall mean, for any Business Day, the dollar ammount of the Aggregate Principal Receivables held in the Trust that were Eligible Receivables at the end of the prior Business Day.

"Aggregate Invested Amount" shall mean the sum of the Invested Amounts with respect to all Series of Investor Certificates then issued and outstanding.

"Aggregate Invested Percentage" shall mean the sum of the applicable Invested Percentages with respect to all Series of Investor Certificates then issued and outstanding.

"Aggregate Principal Receivables" shall mean, for any Business Day, the aggregate dollar amount of Principal Receivables held in the Trust at the end of the prior Business Day.

"Allocated Collections" shall have the meaning specified in Section 4.03(b)(vi) of the Pooling and Servicing Agreement.

"Amortization" shall have, with respect to the Variable Funding Certificate and each Series, the meaning specified in the applicable Supplement.

"Amortization Period" shall mean: (i) with respect to any Series, the period following the Non-Amortization Period beginning on the earlier of the date specified in the applicable Supplement or the occurrence of an Event of Termination with respect to such Series; and (ii) with respect to the Variable Funding Certificate, the period following the Non-Amortization Period beginning on the earlier of the date specified in the Variable Funding Supplement or the occurrence of an Event of Termination with respect to the Variable Funding Certificate.

"Amortization Period Commencement Date" shall mean with respect to any Series or the Variable Funding Certificate, the day on which the Amortization Period with respect thereto commences.

"Applicable Margin" shall mean (i) in the case of Base Rate Loans, 0% per annum, (ii) in the case of Eurodollar Loans, 1% per annum, (iii) in the case of C/D Rate Loans, 1% per annum, and (iv) in the case of Charge-Off Drawings, 0.25% per annum, provided, that on and after the occurrence of an Event of Termination with respect to the Variable Funding Certificate, no Loans may be made other than Refunding Loans that are Base Rate Loans (as set forth in Section 3.02 of the Liquidity Agreement), and Applicable Margins shall mean (A) in the case of Refunding Loans, 0.50% per annum, and (y) in the case of Charge-Off Drawings, 0.50% per annum.

"Applicable Minimum Percentage" shall mean the highest Applicable Minimum Percentage specified in any Supplement relating to Certificates that are outstanding at the time such percentage is computed, but in no event less than 15%.

"Applicants" shall have the meaning specified in Section 6.07 of the Pooling and Servicing Agreement.

"Appointment Date" shall have the meaning specified in Section 9.03 of the Pooling and Servicing Agreement.

"Assessment Rate" shall mean for any day the annual assessment rate in effect on such day which is payable by a member of the Bank Insurance Fund classified as well capitalized and within supervisory subgroup "BB" (or a comparable successor assessment risk classification) within the meaning of 12 C.F.R. S 327.3(d) (or any successor provision) to the Federal Deposit Insurance Corporation (or any successor) for such Corporation's (or such successor's) insuring time deposits at offices of such institution in the United States. The Adjusted CD Rate shall be adjusted automatically on and as of the effective date of any change in the Assessment Rate.

"Assigned Agreement" shall have the meaning assigned to such term in Section l(ii) of the Security Agreement.

"Assigned Collateral" shall have the meaning assigned to such term in Section l(ii) of the Security Agreement.

"Assignee" shall have the meaning assigned to such term in Section 10.05 of the Liquidity Agreement.

"Assignment and Acceptance" shall be an assignment and acceptance between a Bank and an Assignee, in the form of Exhibit F to the Liquidity Agreement.

"Authenticating Representatives" shall have the meaning assigned to such term in Section 2 of the Depositary Agreement.

"Authorized Agents" shall have the meaning assigned to such term in Section 2 of the Depositary Agreement.

"Authorized Newspaper" shall mean any one or more newspapers of general circulation in the Borough of Manhattan, The City of New York, New York, and printed in the English language and customarily published on each Business Day, whether or not published on Saturdays, Sundays and holidays.

"Authorized Representative" shall have the meaning assigned to such term in Section 2 of the Depositary Agreement.

"Available Liquidity Commitment" shall mean, (A) for any date prior to the Amortization Period Commencement Date with respect to the Variable Funding Certificate, the lesser of (i) the Borrowing Base on such date and (ii) the Adjusted Liquidity Commitment on such date, each as set forth in the Daily Report or Settlement Statement delivered for such date and (B) for any date on or after the Amortization Period Commencement Date with respect to the Variable Funding Certificate, the lesser of (i) the Issuer Amount on such date and (ii) the Adjusted Liquidity Commitment on such date, each as set forth in the Daily Report or Settlement Statement delivered for such date.

"Available LOC Amount" shall equal, with respect to the LOCs in the aggregate, on any Business Day, an amount equal to the lesser of (i) 10% of the Issuer Amount on such Business Day or (ii) 10% of the greatest Issuer Amount in effect since the Initial Closing Date minus all LOC Disbursements on such LOCs made prior to such Business Day, plus the sum of all amounts paid to the LOC Issuers (subject to any delay in recognition thereof provided for in the LOC Reimbursement Agreement) in reimbursement of LOC Disbursements prior to such Business Day.

"Bank" shall have the meaning assigned to such term in the first paragraph of the Liquidity Agreement.

"Bank Commitment Amount" shall mean for each Bank the amount set forth opposite such Bank's name on Schedule I to the Liquidity Agreement or to the applicable Assignment and Assumption Agreement, as such amount may be reduced or increased pursuant to Sections 4.01 or 10.05(b), respectively, of the Liquidity Agreement.

"Base Rate" shall mean for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (i) Chemical's Prime Rate in effect on such day, or (ii), with respect to the last five Business Days of March, June, September and December of each year, the greater of (a) Chemical's Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/21. For purposes hereof, Federal Funds Effective Rate. shall mean, for any day, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by Chemical Bank from three Federal Funds brokers of recognized standing selected by it. If for any reason Chemical Bank shall have determined (which determination shall be rebuttable presumptive evidence as to such matter) that it is unable to ascertain the Federal Funds Effective Rate for any reason, including the inability or failure of Chemical Bank to obtain sufficient quotations in accordance with the terms hereof, the Base Rate shall be determined without regard to clause (b) of the first sentence of this definition, as appropriate, until the circumstances giving rise to such inability no longer exist. Any change in the Base Rate due to a change in Chemical's Prime Rate (each such change being effective on the date such change is announced) or the Federal Funds Effective Rate shall be effective on the effective date of such change in Chemical's Prime Rate or the Federal Funds Effective Rate, respectively.

"Base Rate Loans" shall mean the Loans the rate of interest applicable to which is based upon the Base Rate.

"Benefit Plan" shall mean, at a particular time and with respect to any Person, any employee benefit plan which is covered by ERISA and in respect of which such Person or an ERISA Affiliate of such Person is (or, if such Plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"BEO Note Fee Schedule" shall have the meaning specified in Section lO(h) of the Depositary Agreement.

"BEO Notes" shall have the meaning specified in the Depositary Agreement.

"BEO Noteholder" shall mean, with respect to a BEO Note, the Person who is the beneficial owner of such BEO Note, as reflected on the books of the Clearing Agency, or on the books of a Person maintaining an account with such Clearing Agency (directly or as an indirect participant, in accordance with the rules of such Clearing Agency).

"Board" shall mean the Board of Governors of the Federal Reserve System of the United States or any successor thereto.

"Book-Entry Certificates" shall mean certificates evidencing a beneficial interest in the Investor Certificates, ownership and transfers of which shall be made through book entries by a Clearing Agency as described in Section 6.11 of the Pooling and Servicing Agreement; provided, that after the occurrence of a condition whereupon book-entry registration and transfer are no longer permitted and Investor Certificates are to be issued to the Certificate Owners, such certificates shall no longer be book-Entry Certificates".

"Borrowing" shall mean the aggregate of Revolvinq Loans or Refunding Loans to be made by the Banks on a given date pursuant to Section 3.01 of the Liquidity Agreement.

"Borrowing Base" shall mean, on any day, an amount equal to (i) the Adjusted Eligible Principal Receivables on such day plus (ii) the product of (x) the amount, if any, held in the Transferor Account on such day (after giving effect to all deposits thereto on such day) multiplied by (y) 100% minus the Discount Factor as of the most recent Determination Date minus (iii) the Transferor Minimum Amount minus (iv) the Aggregate Invested Amount, all as set forth on the Daily Report delivered for such day.

"Borrowing Base Deficiency" shall mean on any day, the excess, if any, of Advances over the Borrowing Base.

"Business Day" shall mean any day other than (a) a Saturday or a Sunday, or (b) any other day on which banking institutions or trust companies in the State of New York generally or The City of New York, New York, or the State of Tennessee are authorized or obligated by law, executive order or governmental decree to be closed.

"Buyer" shall mean Ingram Funding Inc., a corporation incorporated in the State of Delaware.

"Capital Ratio" shall mean on any day the sum of (i) Shareholder's Equity and (ii) the principal amount of the Subordinated Capital Note divided by the aggregate Unpaid Balance of all Receivables sold by Ingram to Funding under the Purchase Agreement and in existence on the date of determination (excluding any such Receivables reconveyed to Ingram pursuant to the Purchase Agreement).

"Capitalized Interest Component" shall mean, at the time any determination thereof is to be made, the Interest Component of all Commercial Paper which matured subsequent to the last day of the Settlement Period immediately preceding the date of determination (including Commercial Paper which matures on the date of determination) and has been paid (or is being paid on the date of determination) with the proceeds of Loans or of the sale of Commercial Paper issued or being issued on the maturity date(s) of such matured or maturing Commercial Paper.

"Carrying Cost Daily Amount" shall mean, with respect to any day, the full accrual for such day of the actual Carrying Costs for the Settlement Period in which such day occurs (based on information then available to the Servicer), necessary to cause the full amount of any Carrying Cost to have been paid and deposited in the Collateral Account, no later than the day on which such amount is required to be paid, provided, that with respect to any Facilities Costs required to be paid as part of Carrying Costs, the accrual thereof, and the inclusion of amounts related thereto in the Carrying Cost Daily Amount, shall not be required prior to the ninth Business Day preceding the Business Day on which payment of such Facilities Costs is to be made (although the Servicer may, in its discretion, elect to accrue for any such Facilities Costs over a longer period). The Carrying Cost Daily Amount shall be adjusted immediately at any time that the Servicer obtains knowledge that a different accrual amount will be required in order to cause any Carrying Cost to have been paid as part of the Carrying Cost Daily Amount by the due date therefor, including without limitation any adjustment required to take account of the Capitalized Interest Component incurred during any Settlement Period.

"Carrying Cost Daily Factor" shall mean (i) for any day, the percentage equal to a fraction, the numerator of which is the Carrying Cost Daily Amount for such day and the denominator of which is the outstanding Advances on such day, and (ii) as of any Determination Date for the related Settlement Period, the percentage equal to a fraction, the numerator of which is the average Carrying Cost Daily Amount during such Settlement Period and the denominator of which is the average of the outstanding Advances during such Settlement Period.

"Carrying Costs" shall mean, for a Settlement Period, in each case determined on an accrual basis in accordance with GAAP, the sum of (i) the accrued interest during such Settlement Period on the outstanding principal amount of the Liquidity Loans and LOC Disbursements, (ii) the Accrued Interest Component during such Settlement Period with respect to Commercial Paper Outstanding during such Settlement Period, and (iii) the Facilities Costs for such Settlement Period, in each case whether or not any such amount is payable during such period.

"Cash Portion" shall mean that portion of the Purchase Price paid in cash, (i) on the Closing Date for those Receivables conveyed on the Closing Date, and (ii) on the Date of Processing for each Receivable created thereafter.

"C/D Assessment Rate" shall mean for any day as applied to any C/D Rate Loans the average of the net annual assessment rates (rounded upward to the nearest 1/1OOth of one percent) determined by the Liquidity Agents to be payable on such day to the Federal Deposit Insurance Corporation or any successor (the "FDIC") for the FDIC's insuring time deposits made in Dollars.

"C/D Base Rate" shall mean with respect to each day during each Interest Period pertaining to a C/D Rate Loan the rate of interest per annum determined by the Liquidity Agent to be the arithmetic average (rounded upward to the nearest 1/16th of 1%) of the respective rates notified to the Liquidity Agent by each of the Reference Banks as the average rate bid at 9:00 a.m. (New York City time) or as soon thereafter as practicable, on the first day of such Interest Period by a total of three certificate of deposit dealers of recognized standing selected by such Reference Bank for the purchase at face value from such Reference Bank of its certificates of deposit in an amount comparable to the C/D Rate Loan of such Reference Bank to which such Interest Period applies and having a maturity comparable to such Interest Period.

"C/D Rate" with respect to each day during each Interest Period pertaining to a C/D Rate Loan shall mean a rate per annum determined for such day in accordance with the following formula (rounded upward to the nearest 1/lOOth of 1%):

$$\frac{\text{C/D Base Rate}}{1.00 - \text{C/D Reserve Percentage}} + \text{C/D Assessment Rate}$$

"C/D Rate Loans" shall mean Revolving Loans the rate of interest applicable to which is based upon the C/D Rate.

"C/D Rate Tranche" shall have the meaning as signed to such term in the definition of "Tranche".

"C/D Reserve Percentage" shall mean for any day as applied to any C/D Rate Loan that percentage (expressed as a decimal) which is in effect on

such day, as prescribed by the Board for determining the maximum reserve requirement for a member bank of the Federal Reserve System in New York City with deposits exceeding one billion Dollars in respect of new non-personal time deposits in Dollars in New York City having a maturity comparable to the Interest Period for such C/D Rate Loan and in an amount of $100,000 or more.

"Certificate" shall mean one of any Series of Investor Certificates, the Variable Funding Certificate or the Transferor Certificate.

"Certificate Owner" shall mean, with respect to a Book-Entry Certificate, the Person who is the owner of such Book-Entry Certificate, as reflected on the books of the Clearing Agency, or on the books of a Person maintaining an account with such Clearing Agency (directly or as-an indirect participant, in accordance with the rules of such Clearing Agency).

"Certificate Rate" shall mean, with respect to any Series of Certificates, the percentage (or formula on the basis of which such rate shall be determined) stated in the applicable Supplement, which rate shall be calculated on the basis of the actual number of days in each year and the actual number of days in each month unless otherwise stated in such Supplement.

"Certificate Register" shall mean the register maintained pursuant to Section 6.03 of the Pooling and Servicing Agreement, providing for the registration of the Certificates and transfer and exchanges thereof.

"Certificated Notes" shall have the meaning specified in the Depositary Agreement.

"Certificateholder" shall mean the Person in whose name a Certificate is registered in the Certificate Register.

"Charge-Off Drawing" shall have the meaning specified in Section 2.02(a) of the LOC Reimbursement Agreement.

"Charge-Off Ratio" shall mean, at any Determination Date with reference to the respective Receivables originated by the Ingram Book Company division of Ingram or by any Designated Subsidiary (each, an "Originator"), the percentage equivalent of a fraction the numerator of which is the aggregate Unpaid Balance of all Receivables originated by such Originator which were charged off as uncollectible during the three Settlement Periods immediately preceding such Determination Date and the denominator of which is the aggregate Unpaid Balance of all Receivables originated by such Originator during each of the three Settlement Periods preceding such Determination Date; provided, however, that at the Determination Date for the initial Settlement Period the Charge-Off Ratio shall be determined solely with reference to such initial Settlement Period, and at the Determination Date for the immediately succeeding Settlement Period, the Charge-Off Ratio shall be determined solely with reference to the initial Settlement Period and such succeeding Settlement Period.

"Chemical's Prime Rate" shall mean the rate per annum announced by Chemical Bank from time to time as its prime rate in effect at its principal office on a 365/66 day basis; each change in Chemical's Prime Rate shall be effective on the date such change is announced to become effective.

"Clearing Agency" shall mean an organization registered as a Clearing agency. pursuant to Section 17A of the Securities Exchange Act of 1934, as amended.

"Clearing Agency Participant" shall mean a broker, dealer, bank, other financial institution or other Person for whom from time to time a Clearing Agency effects book-entry transfers and pledges of securities deposited with the Clearing Agency.

"Closing Date" shall mean, when used in the Pooling and Servicing Agreement with respect to any Series or the Variable Funding Certificate, the date of issuance of such Series or the Variable Funding Certificate and when used in any of the Facilities Documents other than the Pooling and Servicing Agreement, the date of initial issuance of Commercial Paper.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

"Collateral" shall have the meaning specified in Section 1 of the Security Agreement.

"Collateral Account" shall have the meaning assigned to such term in Section 4 of the Security Agreement.

"Collateral Agent" shall mean Chemical Bank and any successor Collateral Agent appointed pursuant to the Security Agreement as agent for the benefit of the Secured Parties.

"Collateral Agent Fee" shall mean the fee of the Collateral time to time pursuant to the letter agreement between the CP Issuer and the Collateral Agent dated as of February 10, 1993, as in effect on the date hereof.

"Collection Account" shall have the meaning specified in Section 4.02 of the Pooling and Servicing Agreement.

"Collections" shall mean, with respect to the Receivables on any Business Day, all amounts received by the Servicer since the prior Business Day in collected funds in payment of or in respect of the Receivables, including, without limitation, all cash proceeds (as such term is defined in the UCC) of any Related Security therefor and all amounts to be deposited into the

Collection Account as a Transfer Deposit Amount pursuant to Section 2.04(c) or 3.03, or as proceeds of the sale of Receivables pursuant to Section 9.03 or Article XII, of the Pooling and Servicing Agreement.

"Commercial Paper", "Commercial Paper Notes" or "Notes". shall mean the promissory in the form of Exhibit A to the Depositary Agreement, issued by the Q Issuer on a discount basis in the commercial paper market, secured by the Variable Funding Certificate and having the benefit of the LOCs.

"Commercial Paper Account" shall mean the Commercial Paper Account established pursuant to the Depositary Agreement.

"Commercial Paper Deficit" shall have the meaning assigned to such term in Section 3.03(a) of the Liquidity Agreement.

"Commercial Paper Percentage" shall mean, with respect to Advances, the ratio, expressed as a percentage, of the Principal Component of Outstanding Commercial Paper to the aggregate amount of Advances.

"Commitment Fee" shall mean the amounts described as payable to the Liquidity Agent for the account of each Bank in Section 3.07 of the Liquidity Agreement.

"Commtron's Discount" shall mean for any day, by reference to the immediately preceding Determination Date, an amount equal to the decimal equivalent of the sum of (i) 0.50%, (ii) the product of (A) the Base Rate per annum on the preceding Determination Date and (B) a fraction the numerator of which is the number of Days Sales Outstanding (solely with reference to Receivables originated by Commtron Corp. (or Ingram Entertainment Inc., as successor by merger thereto, if applicable)) as of the preceding Determination Date and the denominator of which is 365, and (iii) the product of (A) 0.25% and (B) the same fraction as in the preceding clause (ii)(B), plus, in the event that the Charge-Off Ratio (solely with reference to Receivables originated-by Commtron Corp. (or Ingram Entertainment Inc., as successor, by merger thereto, if applicable)) for such Determination Date exceeds 0.50%, an amount equal to such excess.

"Concentration Limit" shall mean at any time (i) for any Obligor the long-term unsecured senior debt obligations of which are rated at least "AA" and "AA" by Standard & Poor's and Fitch, respectively, or the short term deposits or commercial paper of which is rated at least "A-1+" and "F-1+" by Standard & Poor's and Fitch, respectively, up to 10%, provided, that the aggregate concentration of all Obligors who individually exceed 2.5% by virtue of this clause (i) shall not exceed 50%, (ii) for any Obligor the long-term unsecured senior debt obligations of which are rated at least "A" and "A" by Standard & Poor's and Fitch, respectively, or the short term deposits or commercial paper of which is rated at least "A-1" and "F-1" by Standard & Poor's and Fitch, respectively, up to 5%, provided, that the aggregate concentration of all Obligors who individually exceed 2.5% by virtue of this clause (ii) shall not exceed 20%, and (iii) for any other Obligor, 2.5%, in each case multiplied by the sum of the Issuer Amount and the Aggregate Invested Amount, less any portion of the Aggregate Invested Amount not rated by the Rating Agencies. Initially, Obligors covered by clause (i) of the preceding sentence shall include Wal-Mart, at 10%, and Obligors covered by clause (ii) of the preceding sentence shall include Walden Books and IT&T, at 5% each.

"consolidated", "consolidating" and any derivative thereof each means, with reference to the accounts or financial reports of any Person, the consolidated accounts or financial reports of such Person and each Subsidiary of such Person determined in accordance with GAAP, including principles of consolidation, consistent with those applied in the preparation of the consolidated financial statements of Ingram.

"Consolidated Assets" means, at any date, the total assets of Ingram and its Consolidated Subsidiaries as at such date.

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

"Consolidated Current Liabilities" means, at any date, all amounts which would be included as current liabilities on a consolidated balance sheet of Ingram and its Consolidated Subsidiaries as at such date.

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

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

(b) Consolidated Current Liabilities as at such date.

"Consolidated Fixed Charges" means, at any date, the sum of

(a) the aggregate annualized amount of fixed rentals payable by Ingram and its Consolidated Subsidiaries with respect to all leases of real and personal property having an original initial term of more than three (3) years (including any required renewals or renewals at the sole option of the lessor or lessee) in effect as of such date (other than capitalized lease liabilities and leases between Ingram and its Consolidated Subsidiaries),

(b) the aggregate annualized interest charges payable on the aggregate principal amount of consolidated Debt of Ingram outstanding as of such date (using for the purpose of such calculation the interest rate with respect to such Debt in effect at such date), and

(c) the aggregate annualized amount of any other fixed charges

payable by Ingram and its Consolidated Subsidiaries with respect to other financial undertakings of Ingram or any of its Consolidated Subsidiaries outstanding as of such date with a remaining term of more than one year from the date as of which the calculation of Consolidated Fixed Charges is made if such aggregate annualized amount exceeds one percent (1%) of Consolidated Net Income of Ingram for the preceding Fiscal Year excluding, however,

(i) any payment made on a routine and periodic basis pursuant to a contract calling for payments in an aggregate amount of $500,000 or less at the time of incurrence and that are payable in a lump sum or over a period of three (3) years or less,

(ii) any royalty payments,

(iii) any payments for the removal of natural resources that are removed for resale,

(iv) in the case of any Insurance Subsidiary, premiums for reinsurance incurred in the normal course of business, or

(v) capitalized lease liabilities and other obligations between Ingram and its Consolidated Subsidiaries.

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

(a) consolidated Debt as at such date, to

(b) consolidated Stockholders' Equity as at such date.

"Consolidated Liabilities" means, at any date, the sum of all obligations of Ingram and its Consolidated Subsidiaries as at such date.

"Consolidated Net Income Available for Fixed Charges" means, for any period, consolidated net income of Ingram for such period before deducting therefrom each of Consolidated Fixed Charges for such period and provisions for taxes in respect of Consolidated Net Income for such period.

"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 of Ingram.

"Connsolidated Working Capital" means, at any date:

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

(b) Consolidated Current Liabilities as at such date.

"Contract" shall mean either a written agreement between Ingram or a Designated Subsidiary and another Person, or an invoice pursuant to an open account or a written agreement of a Person, pursuant to which such Person is obligated to pay for goods, merchandise and/or services.

"Controlling Party" shall mean the Liquidity Agent acting at the direction of the Required Banks; and after the Liquidity Commitment has been terminated or reduced to zero and there are no Loans outstanding, the holders of 51% of the Commercial Paper then Outstanding; and if there is no Commercial Paper Outstanding, the Depositary; and if no amounts remain owing to the Depositary, the Required LOC Issuers.

"Conveyance Papers" shall have the meaning specified in Section 4.1(b) of the Purchase Agreement.

"Corporate Trust Office" shall mean the principal office of the Trustee at which at any particular time its corporate trust business shall be administered, which office at the date of the execution of the Pooling and Servicing Agreement is located at 450 West 33rd Street, New York, New York 10001 (Attention: Corporate Trust Department).

"CP Dealer" shall mean Merrill Lynch Money Markets Inc. as dealer for the Commercial Paper or any successor dealer for the Commercial Paper appointed by the CP Issuer.

"CP Dealer Agreement" shall mean the CP Dealer Agreement, dated as of February 10, 1993, between the CP Issuer and the CP Dealer, as amended from time to time.

"CP Issuer" shall mean Distribution Funding Corporation, a Delaware corporation, or any other Holder of the Variable Funding Certificate.

"CP Matured Value" shall mean the face amount of Outstanding Commercial Paper.

"CPMS System" shall have the meaning assigned to such term in Section 3 of the Depositary Agreement.

"Credit and Collection Policy" shall mean the Servicer's credit extension policies and procedures and collection practices relating to Receivables and Contracts as in effect on the Initial Closing Date, as set forth in Exhibit G to the Pooling and Servicing Agreement, and as the same may be modified from time to time in accordance with Section 3.03(k) of the

Pooling and Servicing Agreement.

"Credit Utilization" shall have the meaning assigned to such term in Section 6.02 of the Liquidity Agreement.

"Credits" shall mean an amount equal to the sum, without duplication, of (a) the aggregate reduction effected on any date of determination in the Unpaid Balances of any Receivables attributable to any defective, rejected or returned goods, merchandise or services, any cash or other discount, or any other adjustment granted with respect thereto by the Servicer, (b) the aggregate reduction effected on such date in the Unpaid Balances of any Receivables resulting from any setoff in respect of any claim by any Obligor thereunder against Ingram or the Designated Subsidiary which originated the Receivable (whether or not such claim is related to the transaction giving rise to the related Receivable), (c) the aggregate reduction effected on any date in the Unpaid Balances of any Receivables resulting from any setoff by Ingram or the Designated Subsidiary which originated the Receivable of a claim against Ingram or such Designated Subsidiary in favor of the Obligor under such Receivable against the Receivable of such Obligor (whether or not such claim is related to the transaction giving rise to the related Receivable), but not to the extent that any Receivable so reduced would, on the date of such Credit, constitute a Defaulted Receivable, (d) the aggregate Unpaid Balances of any Receivables which on such date become subject to an Adverse Claim or with respect to which the Buyer, pursuant to the Purchase Agreement, or the Trustee, pursuant to the Pooling and Servicing Agreement does not acquire or ceases to have a valid transfer and assignment of all right, title and interest therein and (e) all offsets, discounts and other charges to any Receivable resulting from sales and marketing activities of Ingram and the Obligor, including, without limitation, offsets or discounts for rapid payment, coupon collection, display allowances or cooperative advertising.

"Cut-Off Date" shall mean February 10, 1993.

"Daily Report" shall mean a report showing the date and making the computations included in the form of the Daily Report attached as Exhibit E to the Pooling and Servicing Agreement.

"Date of Processing" shall mean, with respect to any transaction by Ingram or a Designated Subsidiary which generates a Receivable, the date that such transaction has been or should have been first recorded on the computer master file of Receivables maintained by the Servicer (without regard to the effective date of such recordation).

"Days Sales Outstanding" shall mean, at any Determination Date, the amount determined by multiplying (i) 30.42 by (ii) a fraction, the numerator of which is equal to the average of the beginning and ending Unpaid Balance of Receivables for the preceding Settlement Period, and the denominator of which is equal to net sales for the preceding Settlement Period.

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

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

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

(c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business and leases of personal property not required to be capitalized under FASB Statement 13;

(d) all obligations of such Person as lessee under capitalized lease liabilities calculated in accordance with GAAP;

(e) all obligations of such Person to purchase securities (or other property) which arise out of or in connection with the sale of the same or substantially similar securities or property;

(f) all obligations to reimburse for outstanding disbursements made under all letters of credit and bankers' acceptances issued for the account of such Person;

(g) all Debt of others secured by a Lien of any kind on any asset of such Person, whether or not such Debt is assumed by such Person; and

(h) all guarantees, endorsements and other contingent liabilities of or in respect of, or to purchase or otherwise acquire, the Debt of another Person;

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

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

(ii) obligations to repurchase securities issued to employees pursuant to any Plan upon the termination of their employment or other events, to the extent that the amount of such

obligations does not exceed thirty percent (30%) of Consolidated Stockholders' Equity as at the date of calculation of Debt;

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

(iv) any contingent obligations with respect to letters of credit;

(v) the obligations of any Insurance Subsidiary to any relevant lender for financing of balances due under premium finance contracts entered into by such Insurance Subsidiary, provided such obligations are not covered by a guarantee of any Obligor or any of their respective Subsidiaries (excepting each such Insurance Subsidiary or any of their immediate parents (other than any of the Obligors)); and

(vi) guarantees of any Obligor or any of their respective Subsidiaries that are guarantees of (x) contingent obligations covered by guarantees of any Insurance Subsidiary in the form of insurance policies, surety bonds or similar assurances issued by each such Insurance Subsidiary in the ordinary course of business and for which each such Insurance Subsidiary is compensated, or (y) performance, reclamation or similar bonds issued for the benefit of any Subsidiary of Ingram, which would not be included on the consolidated financial statements of any Obligor.

"Debtor Relief Laws" shall mean the Bankruptcy Code of the United States of America and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, readjustment of debt, marshaling of assets or similar debtor relief laws of the United States, any state or any foreign country from time to time in effect affecting the rights of creditors generally.

"Default" shall mean any of the events specified in Section 8.01 of the Liquidity Agreement, whether or not any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

"Default Ratio" shall mean, at any Determination Date, the percentage equivalent of a fraction the numerator of which is the Unpaid Balance of Adjusted Eligible Receivables which first became Defaulted Receivables during the three Settlement Periods immediately preceding such Determination Date and the denominator of which is the sum of the Unpaid Balance of all Adjusted Eligible Receivables held in the Trust at the end of each of the three Settlement Periods preceding such Determination Date; provided, however, that at the Determination Date for the initial Settlement Period the Default Ratio shall be determined solely with reference to such initial Settlement Period, and at the Determination Date for the immediately succeeding Settlement Period, the Default Ratio shall be determined solely with reference to the initial Settlement Period and such succeeding Settlement Period.

"Defaulted Amount" shall mean, with respect to any Determination Date, the sum of the amount of Principal Receivables which were Eligible Receivables at the time such Principal Receivables were created which became Defaulted Receivables in the Settlement Period relating to such Determination Date, less the full amount of such Defaulted Receivables which have been actually reassigned to the Transferor under Section 2.04(c) of the Pooling and Servicing Agreement or to the Servicer under Section 3.03 of the Pooling and Servicing Agreement with respect to such Settlement Period; provided, however, that if one of the events described in Section 9.01(iii) or Section 9.02(iii) of the Pooling and Servicing Agreement occurs with respect to the Transferor, the amounts of such Defaulted Receivables to the extent not recovered which are subject to transfer pursuant to Section 2.04(c) of the Pooling and Servicing Agreement shall not be so subtracted and, if any of the events described in Section 10.01(d) of the Pooling and Servicing Agreement occur with respect to the Servicer, the amount of such Defaulted Receivables to the extent not recovered which are subject to transfer pursuant to Section 3.03 of the Pooling and Servicing Agreement shall not be so subtracted.

"Defaulted Receivable" shall mean a Receivable (i) which remains unpaid on the 91st day after the Contract due date for such Receivable or (ii) the Obligor on which becomes subject to or seeks the benefit of any Debtor Relief Law.

"Definitive Certificates" shall have the meaning specified in Section 6.11 of the Pooling and Servicing Agreement.

"Delinquent Receivable" shall mean any Eligible Receivable that is not a Defaulted Receivable as to which all or any part of the outstanding balance remains unpaid more than 60 days past the Contract due date.

"Depositary" shall mean Chemical Bank and any successor Depositary appointed pursuant to the terms of the Depositary Agreement.

"Depositary Agreement" shall mean the Depositary Agreement, dated as of February 10, 1993, between the CP Issuer and Chemical Bank, as depositary, as amended from time to time.

"Depositary Authorization Letter" shall have the meaning assigned to such term in Section 2 of the Depositary Agreement.

"Depositary Fee" shall mean the fee of the Depositary, payable from time to time pursuant to the letter agreement between the CP Issuer and the Depositary dated February 10, 1993, as in effect on the date hereof.

"Deposited Funds" shall mean all funds then on deposit in the Collateral Account (including Permitted Investments thereof) as provided in the Security Agreement.

"Designated Persons" shall have the meaning assigned to such term in Section 2 of the Depositary Agreement.

"Designated Subsidiary" shall mean each Subsidiary which is designated as a Designated Subsidiary pursuant to Section 2.2 of the Purchase Agreement and which has not (i) been removed as a Designated Subsidiary in accordance with Section 2.2 of the Purchase Agreement, or (ii) ceased to be a Subsidiary. The Designated Subsidiaries shall initially consist of Ingram Micro Inc. (a California corporation) and Commtron Corp. (or Ingram Entertainment Inc. as successor by merger thereto, if applicable).

"Determination Date" shall mean, with respect to any Settlement Period, the tenth day of the next calendar month or if such day is not a Business Day, the next succeeding Business Day.

"Dilution Ratio" shall mean, at any Determination Date, the percentage equivalent of a fraction the numerator of which is the aggregate amount of Credits with respect to Adjusted Eligible Receivables which occurred during the three Settlement Periods immediately preceding such Determination Date and the denominator of which is the sum of the Unpaid Balance of all Adjusted Eligible Receivables held in the Trust at the end of each of the three Settlement Periods preceding such Determination Date; provided, however, that at the Determination Date for the initial Settlement Period the Dilution Ratio shall be determined solely with reference to such initial Settlement Period, and at the Determination Date for the immediately succeeding Settlement Period, the Dilution Ratio shall be determined solely with reference to the initial Settlement Period and such succeeding Settlement Period.

"Discount Factor" shall mean for any day, by reference to the Determination Date immediately preceding such day, 10.0% plus:

(a) in the event that the highest Default Ratio in effect for any of the preceding 12 Settlement Periods (or since the Initial Closing Date until 12 Settlement Periods shall have elapsed) (the "Base Default Ratio") for such Determination Date exceeds 1.36%, an amount equal to the product of (A) 10 and (B) such Base Default Ratio minus 1.36%; plus

(b) in the event the Carrying Cost Daily Factor (expressed on a per annum basis which is equal to the Carrying Cost Daily Factor multiplied by 365) on such Determination Date or either of the Carrying Cost Daily Factors (expressed on a per annum basis) on the two preceding Determination Dates (the greatest of such three being referred to as the "Base Factor") exceeds 10%, an amount equal to the product of (A) the excess of the Base Factor over 10% and (B) the Days Sales Outstanding for the preceding Settlement Period divided by the number of days in the current year.

"Dollars" and USA shall mean dollars in lawful currency of the United States of America.

"Domestic Dollar Loans" shall be the collective reference to C/D Rate Loans and Base Rate Loans.

"Domestic Lending Office" shall mean, initially, the office of a Bank designated as such in Schedule I to the Liquidity Agreement; thereafter, such other office of such Bank, if any, which shall be making C/D Rate Loans and Base Rate Loans.

"Drawing Certificate" shall mean a certificate in the form of Annex A or Annex B of the LOC Reimbursement Agreement.

"DTC" shall have the meaning specified in the Depositary Agreement.

"DTC's CP Program" shall have the meaning specified in the Depositary Agreement.

"Eligible Institution" shall mean a depository institution (which may be the Trustee) organized under the laws of the United States or any one of the states thereof, including the District of Columbia, which either (i) at all times has a long-term unsecured debt rating of at least AAA. by Standard ~ Poor's and, if rated by Fitch, "AAA" by Fitch, and which is a member of the FDIC or (ii) maintains the applicable account as a fully segregated trust account with the trust department of such institution and is rated "BBB-" or "A-3" or higher by Standard & Poor's and, if rated by Fitch, is rated "BBB-" or "F-3" or higher by Fitch.

"Eligible Receivable" shall mean a Receivable:

(i) that has arisen in the ordinary course of business from the sale of Ingram's or a Designated Subsidiary's goods, merchandise or services;

(ii) with respect to which the Obligor's obligation to pay is evidenced by a Contract and such Contract provides for full payment of the amount thereof in accordance With the Credit and Collection Policy (subject to any applicable Sales and Marketing Discount and normal return policy), the delivery of the goods or merchandise or the rendering of the services giving rise to such Receivable has been completed and such goods or merchandise or such services have been accepted by the Obligor;

(iii) that is not, as of the date of transfer to the Trust,

a Delinquent Receivable or a Defaulted Receivable

(iv) which does not constitute an obligation of the United States, or, to the extent any applicable law would prohibit the assignment of any such Receivable to the Trust, any state or other political subdivision thereof, or any agency, instrumentality or subdivision of any of the foregoing;

(v) that was created in compliance, in all material respects, with the Credit and Collection Policy and all Requirements of Law applicable to Ingram or the applicable Designated Subsidiary and pursuant to a Contract that complies, in all material respects, with the Credit and Collection Policy and all Requirements of Law applicable to Ingram or the applicable Designated Subsidiary, that was purchased by Funding in accordance with the Purchase Agreement, and, as of the date of transfer under the Purchase Agreement and the Pooling and Servicing Agreement, the terms of which have not been extended or modified except in accordance with the Credit and Collection Policy;

(vi) with respect to which all consents, licenses, approvals or authorizations of, or registrations or declarations with, any Governmental Authority required to be obtained, effected or given by Ingram or the applicable Designated Subsidiary in connection with the creation of such Receivable or the execution, delivery and performance by Ingram or the applicable Designated Subsidiary of the related Contract, have been duly obtained, effected or Given and are in full force and effect as of such date of creation;

(vii) as to which, at the time of the creation and transfer to Funding of such Receivable, Ingram or a Designated Subsidiary had good and marketable title thereto free and clear of all Liens and Adverse Claims;

(viii) that arises under a Contract which has been duly authorized and which, together with such Receivable, is in full force and effect and such Contract, together with such Receivable, constitutes the legal, valid and binding payment obligation of the Obligor with respect thereto, enforceable against such Obligor in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws, now or hereafter in effect, affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(ix) neither such Receivable nor the related Contract is subject to any dispute, offset, defense or counterclaim (other than a Sales and Marketing Discount or normal return policy) with respect to the underlying obligation which has been communicated to the Seller or about which the Seller has knowledge;

(x) 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 of 1940, as amended);

(xi) that is denominated and payable only in United States dollars and payable to a Lock-Box Account in the United States of America;

(xii) the Obligor of which (A) is not bankrupt, insolvent, undergoing composition or adjustment of debts or unable to make payment of its obligations when due, (B) is located (within the meaning of Section 9-103 of the applicable UCC) within the United States of America and (C) is not an Affiliate of Ingram;

(xiii) that constitutes an "account" under and as defined in Section 9-106 of the UCC as then in effect in the States of New York, California, Tennessee and Delaware; and

(xiv) that arises out of any Existing Business or any New Business of Ingram or a Designated Subsidiary.

An Eligible Receivable which becomes a Defaulted Receivable after it has been transferred to the Trust shall no longer constitute an Eligible Receivable, provided, that so long as such Eligible Receivable was not, as of the date of transfer to the Trust, a Delinquent Receivable or a Defaulted Receivable, neither the Seller nor the Transferor shall have any obligation under the Purchase Agreement, the Pooling and Servicing Agreement or otherwise to repurchase such Receivable.

"Eligible Servicer" shall mean Ingram or an entity (which may include the Trustee) which, at the time of its appointment as Servicer, (i) is servicing a portfolio of trade receivables, (ii) is legally qualified and has the capacity to service the Receivables, (iii) has demonstrated the ability to service professionally and completely a portfolio of similar accounts in accordance with high standards of skill and care, (iv) shall have a net worth of at least $100,000,000; (v) is qualified and, if required, licensed to use the software that the Servicer is then currently using to service the Receivables or obtains the right to use or has software which is adequate to perform its duties under the Pooling and Servicing Agreement (including pursuant to a license from or other agreement with Ingram or any of its Affiliates); provided, however, that no such entity shall be deemed to be an Eligible Servicer if it is a direct competitor of Ingram or any Designated Subsidiary thereof.

"ERISA" shall mean the Employee Retirement Income Security~Act of 1974, as amended from time to time, and the regulations promulgated thereunder.

"ERISA Affiliate" shall mean with respect to any Person, at any time, each trade or business (whether or not incorporated) that would, at the time, be treated together with such Person as a single employer under Section 4001 of ERISA or Sections 414(b), (c), (m) or (o) of the Internal Revenue Code.

"Eurodollar Lending Office" shall mean, initially, the office of a Bank designated as such in Schedule I to the Liquidity Agreement; thereafter, such other office of such Bank, if any, which shall be making Eurodollar Loans.

"Eurodollar Loans" shall mean Revolving Loans that bear interest for the Interest Period applicable thereto at an interest rate based upon the LIBOR Rate (Reserve Adjusted).

"Eurodollar Tranche" shall have the meaning assigned to such term in the definition of "Tranche".

"Event of Default" shall mean any of the events specified in Section 8.01 of the Liquidity Agreement, provided that any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

"Event of Termination" shall have, with respect to any Series or the Variable Funding Certificate, the meaning specified in Section 9.01 or 9.02 of the Pooling and Servicing Agreement, respectively.

"Excess Amount Allocation" shall have the meaning specified in Section 4.03(b)(vi) of the Pooling and Servicing Agreement.

"Excess Term Receivables" shall mean for any day, by reference to the Determination Date immediately preceding such day, commencing with the Determination Date in April 1993, those Eligible Receivables (as designated by the Servicer) held in the Trust as of the last Business Day of the related Settlement Period and having an Original Term in excess of 60 days, which, if excluded from the Eligible Receivables held in the Trust as of such last Business Day, would result in the Weighted Average Term as of such last Business Day being not more than 60 days to the extent such Weighted Average Term would otherwise exceed 60 days, provided, however, that to the extent that it is necessary to designate Excess Term Receivables by reason of the calculation performed on any Determination Date, in lieu of waiting for the nest succeeding Determination Date to recalculate such requirement as provided above, the Servicer may, at its election, perform such calculation as often as daily, in each case with reference to the Eligible Receivables held in the Trust as of the end of the prior Business Day, until such Excess Term Receivables are no longer required.

"Existing Businesses" shall mean those businesses in which Ingram or any Designated Subsidiary are engaged on the Initial Closing Date (or, in the case of a Designated Subsidiary which becomes a Designated Subsidiary after the Initial Closing Date (and with the consent of all of the Banks), those businesses in which such Designated Subsidiary is engaged on the date on which such Designated Subsidiary becomes a Designated Subsidiary).

"Exiting Bank" shall have the meaning specified in Section 4.02(c) of the Liquidity Agreement.

"Exiting LOC Issuer" shall have the meaning specified in Section 2.01(e) of the LOC Reimbursement Agreement.

"Expiration Date" with respect to a Bank shall mean December 31, 1995 or, if such Bank's Percentage of the Liquidity Commitment is extended pursuant to Section 4.02(a) of the Liquidity Agreement, two years after the date of the Expiration Date in effect for such Bank immediately prior to the time of the most recent extension for such Bank.

"Extension Period" shall have the meaning set forth in Section 4.02(a) of the Liquidity Agreement.

"Facilities Costs" shall mean, collectively, Facilities Costs 1, Facilities Costs 2, Facilities Costs 3, Facilities Costs 4 and Facilities Costs 5.

"Facilities Costs 1" shall have the meaning assigned to such term in Section 9(a) of the Security Agreement.

"Facilities Costs 2" shall have the meaning assigned to such term in Section 9(a) of the Security Agreement.

"Facilities Costs 3" shall have the meaning assigned to such term in Section 9(a) of the Security Agreement.

"Facilities Costs 4" shall have the meaning assigned to such term in Section 9(a) of the Security Agreement.

"Facilities Costs 5" shall have the meaning assigned to such term in Section 9(a) of the Security Agreement.

"Facilities Costs Account" shall mean the subaccount of the Collateral Account into which a portion of the payments with respect to the Variable Funding Certificate will be deposited and held for the payment of Facilities Costs and such other applications as are provided for in the Security Agreement.

"Facilities Documents" shall mean the Liquidity Agreement, the Loan Notes, the Pooling and Servicing Agreement, including the Variable Funding Supplement thereto, the Depositary Agreement, the LOC Reimbursement Agreement, the LOC, the CP Dealer Agreement, the Management Agreement and the Security Agreement.

"Final Trust Termination Date" shall have the meaning specified in Section 12.01 of the Pooling and Servicing Agreement.

"Fiscal Year" shall mean each fiscal year of the CP Issuer.

"Fitch" shall mean Fitch Investors Service, Inc.

"Funding" shall mean Ingram Funding Inc. a Delaware corporation.

"GAAP" or generally accepted accounting principles. shall mean as of the date of any determination with respect thereto, generally accepted accounting principles as used by the Financial Accounting Standards Board and/or the American Institute of Certified Public Accountants on such date.

"General Account" shall mean the sub-account of the Collateral Account into which amounts initially transferred to the Collateral Account are held until transferred into another sub-account or otherwise used in accordance with the Security Agreement.

"Governmental Authority" shall mean the United States of America, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Holder" shall mean, in the case of the Certificates, the Person in whose name a Certificate is registered as owner in the Certificate Register.

"Imputed Yield" shall mean with respect to any date of determination the product of the Unpaid Balances of the Receivables and the Discount Factor.

"Imputed Yield Collections" shall have the meaning specified in Section 4.03(b) of the Pooling and Servicing Agreement.

"Incumbency Certificate" shall have the meaning assigned to such term in Section 2 of the Depositary Agreement.

"Indebtedness" of a Person shall mean such Person's (i) obligations for borrowed money, (ii) obligations representing the deferred purchase price of property other than accounts payable arising in the ordinary course of such Person's business on terms customary in the trade, (iii) obligations, whether or not assumed, secured by Liens or payable out of the proceeds or production from property now or hereafter owned or acquired by such Person, (iv) obligations which are evidenced by notes, acceptances, or other instruments, (v) obligations for which such Person is obligated pursuant to a guaranty and (vi) obligations in respect of a lease of property which is required to be capitalized in accordance with GAAP.

"Indemnitee" shall have the meaning assigned to such term in Section 10.04(b) of the Liquidity Agreement.

"Ingram" shall mean Ingram Industries Inc., a Tennessee corporation.

"Initial Closing Date" shall mean February 10, 1993.

"Initial Invested Amount" shall mean, with respect to any Series, the excess of (a) the amount stated as such in the applicable Supplement over (b) the initial principal amount of any Certificate of such Series delivered to the Trustee pursuant to Section 2.09 of the Pooling and Servicing Agreement.

"Initial Issuer Amount" shall mean, with respect to the Variable Funding Certificate, the amount stated in the Variable Funding Supplement.

"Insolvency" shall mean, with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

"Insolvency" shall mean having the condition of Insolvency.

"Insurance Subsidiary" means any Subsidiary of Ingram that is a licensed insurance company under all applicable laws and shall initially include PGA Service Corporation, Permanent Assurance Corporation, Permanent General Assurance Corporation of Ohio and Tennessee In
surance Company.

"Interest Account" shall mean the sub-account of the Collateral Account into which the proceeds of the Collateral to be used to pay the Interest Component and accrued interest on Loans and LOC Disbursements will be deposited and held exclusively for payment of such Interest Component.

"Interest Component" shall mean when used with respect to Commercial Paper issued on a discount basis the excess of the CP Matured Value over the purchase price with respect thereto.

"Interest Funding Account" shall mean, for any Series, the account, if any, established pursuant to the related Supplement in which amounts representing interest payable on the Investor Certificates of such Series will be deposited and held until paid to Certificateholders.

"Interest Payment Date" shall mean (a) as to any Base Rate Loan, each Business Day to occur after any such Loan is made under the Liquidity

Agreement, (b) as to any Eurodollar Tranche having an Interest Period of one, two or three months, and any C/D Rate Tranche having an Interest Period of 30, 60 or 90 days, the last day of the applicable Interest Period with respect thereto and (c) as to any Eurodollar Tranche or C/D Rate Tranche having an Interest Period of six months or 180 days, respectively, the date which is three months or 90 days, respectively, after the commencement of such Interest Period and the last day of such Interest Period.

"Interest Period" shall mean

(a) with respect to any Eurodollar Loan:

(i) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending one, two, three or six months thereafter, as selected by the CP Issuer in a notice of borrowing or notice of conversion, as the case may be, given with respect thereto in accordance with the Liquidity Agreement and

(ii) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending one, two, three or six months thereafter, as selected by the CP Issuer in a notice of conversion or notice of continuation, as the case may be, given with respect thereto in accordance with the Liquidity Agreement;

(b) with respect to any C/D Rate Loan:

(i) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such C/D Rate Loan and ending 30, 60, 90 or 180 days thereafter, as selected by the CP Issuer in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto in accordance with the Liquidity Agreement; and

(ii) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such C/D Rate Loan and ending 30, 60, 90 or 180 days thereafter, as selected by the CP Issuer in a notice of conversion or continuation, given with respect thereto and in accordance with the Liquidity Agreement;

provided that the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period relating to a C/D Rate Loan would otherwise end on a day which is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day;

(ii) if any Interest Period with respect to any Eurodollar Loan would otherwise end on a day which is not a Working Day, such Interest Period shall be extended to the next succeeding Working Day, unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the immediately preceding Working Day;

(iii) any Interest Period that would otherwise extend beyond the Scheduled Maturity Date shall end on such date;

(iv) any Interest Period with respect to a Eurodollar Loan which begins on the last Working Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Working Day of a calendar month; and

(v) the CP Issuer shall select Interest Periods so as not to require a payment or prepayment of any Eurodollar Loan or C/D Rate Loan during an Interest Period for such Loan.

"Invested Amount" shall mean, for any day when used with respect to any Series, an amount equal to (a) the Initial Invested Amount minus (b) the aggregate amount of payments of principal paid with respect to such Series of Certificates prior to such day (including any amounts paid to the Investor Certificateholders with respect to Investor Default Amounts) minus (c) the excess, if any, of the aggregate amount of Investor Charge-Offs of such Series over such Investor Charge-Offs which have been reimbursed prior to such day and minus (d) the principal amount of any Investor Certificate cancelled pursuant to Section 2.09 of the Pooling and Servicing Agreement.

"Invested Percentage" shall mean, with respect to any Series for any day, (i) except as set forth in clause (ii) below, the decimal equivalent of a fraction the numerator of which is the Invested Amount as of the end of the preceding Business Day and the denominator of which is the sum of (A) Adjusted Eligible Principal Receivables and (B) the product of (x) the amount, if any, held in the Transferor Account for such preceding Business Day multiplied by (y) 100% minus the Discount Factor as of the most recent Determination Date; and (ii) when used in respect of Principal Receivables during the related Amortization Period, the decimal equivalent of a fraction the numerator of which is the Invested Amount at the end of the last day prior to the related Amortization Period Commencement Date and the denominator of which is the greater of (a) the sum of (1) Adjusted Eligible Principal Receivables and (2) the product of (x) the amount, if any, held in the Transferor Account at the end of the last day of the prior Settlement Period multiplied by (y) 100% minus the Discount Factor as of the most recent Determination Date and (b) the sum of the initial numerator of each fraction used to determine such Invested Percentage for all outstanding Series of Investor Certificates and the Maximum Program Amount

as the numerator used to determine the corresponding Issuer Percentage.

"Investor Certificate" shall mean a certificate issued under Section 6.01 of the Pooling and Servicing Agreement hereof by the Transferor and authenticated by or-on behalf of the Trustee, substantially in the form of Exhibit A to the Pooling and Servicing Agreement.

"Investor Certificateholder" shall mean the Holder of record of an Investor Certificate as indicated in the Certificate Register.

"Investor Charqe-Offs" shall mean with respect to each Series for any Payment Date, the excess, if any, of the Investor Default Amount for such Payment Date over the Investor Default Amount that may be reimbursed from that portion of Imputed Yield Collections available therefor pursuant to the Pooling and Servicing Agreement, or from any other source specified in the applicable Supplement.

"Investor Default Amount" shall mean, with respect to each Series for any Determination Date, an amount equal to the product of (a) the Defaulted Amount for such Determination Date and (b) the Invested Percentage with respect to such Series for such Determination Date.

"Investor Interest" shall have the meaning specified in Section 4.01 of the Pooling and Servicing Agreement.

"Issuance Date" shall have the meaning, with respect to the Variable Funding Certificate or any Series issued pursuant to Section 6.09 of the Pooling and Servicing Agreement, stated in such Section.

"Issuance Notice" shall have the meaning, with respect to the Variable Funding Certificate or any Series issued pursuant to Section 6.09 of the Pooling and Servicing Agreement, stated in such Section.

"Issuer Additional Amount" shall have the meaning specified in Section 6.10 of the Pooling and Servicing Agreement.

"Issuer Amount" shall mean for any day when used with respect to the Variable Funding Certificate, an amount equal to (a) the Initial Issuer Amount, plus (b) the aggregate principal amount of the purchases by the Holder of the Variable Funding Certificate of any Issuer Additional Amounts through the end of the preceding Business Day pursuant to Section 6.10 of the Pooling and Servicing Agreement, minus (c) the aggregate amount of payments of principal paid to the Holder of the Variable Funding Certificate prior to such day (including any amounts paid to the Holder of the Variable Funding Certificate under Sections 4.05(c) and (I) of the Pooling and Servicing Agreement as set forth in the Variable Funding Supplement), minus (d) the Issuer Charge-Offs as of the end of the preceding Business Day.

"Issuer Charge-Offs" shall mean with respect to the Variable Funding Certificate for any Business Day, the excess, if any, of the Issuer Default Amount for such Business Day over the Issuer Default Amount that may be reimbursed from that portion of Imputed Yield Collections available therefor pursuant to the Pooling and Servicing Agreement, or from any other source specified in the Variable Funding Supplement.

"Issuer Default Amount" shall mean, with respect to the Variable Funding Certificate for any Busi ness Day, an amount equal to the product of (a) the Defaulted Amount for the Determination Date on or immediately prior to such Business Day, (b) the Issuer Percentage for such Business Day and (c) a fraction the numerator of which is the number of calendar days from the Business Day preceding such Business Day to such Business Day and the denominator of which is the number of days in the Settlement Period in which such Determination Date occurs.

"Issuer Default Deficiency Amount" shall have the meaning specified in Section 4.05(f) of the Pooling and Servicing Agreement, as set forth in the Variable Funding Supplement.

"Issuer Imputed Yield Collections" shall have the meaning specified in Section 4.05(a) of the Variable Funding Supplement.

"Issuer Interest" shall have the meaning specified in Secition 4.01 of the Pooling and Servicing Agreement.

"Issuer's Interest Rate" shall mean with respect to a Settlement Period, a per annum interest rate which if multiplied by the weighted average Issuer Amount with respect to each day during such Settlement Period would produce, on the basis of a 365 or 366-day year, as the case may be, an amount equal to the Carrying Costs for such Settlement Period.

"Issuer Percentage" shall mean with respect to the Variable Funding Certificate for any Business Day, (i) except as set forth in clause (ii) below, the decimal equivalent of a fraction the numerator of which is the Issuer Amount as of the end of the preceding Business Day and the denominator of which is the sum of (A) Adjusted Eligible Principal Receivables and (B.) the product of (x) the amount, if any, held in the Transferor Account for such preceding Business Day multiplied by (y) 100% minus the Discount Factor as of the most recent Determination Date; and (ii) when used in respect of Principal Receivables during the Amortization Period, the decimal equivalent of a fraction the numerator of which is the Issuer Amount as of the end of the last day prior to the Amortization Period Commencement Date and the denominator of which is the greater of (a) the sum of (1) Adjusted Eligible Principal Receivables and (2) the product of (x) the amount, if any, held in the Transferor Account on the last day of the prior Settlement Period multiplied by (y) 100% minus the Discount Factor as of the most recent Determination Date and (b) the sum of the Maximum Program Amount as the numerator used to determine such Issuer

Percentage and the initial numerators for each fraction used to determine the corresponding Invested Percentages for all outstanding Series of Investor Certificates.

"Letter" shall have the meaning specified in Section 10(a) of the Depositary Agreement.

"Letter of Representations" shall mean the agreement among the Transferor, the Trustee and the initial Clearing Agency, with respect to any Book-Entry Certificates.

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

"LIBOR Rate (Reserve Adjusted)" means, relative to any Loan to be made, continued or maintained as, or converted into, a Eurodollar Rate Loan for any Interest Period, a rate per annum (rounded upwards, if necessary, to the nearest 1/16 of 1%) determined pursuant to the following formula:

$$\text{LIBOR Rate (Reserve Adjusted)} = \frac{\text{LIBOR Rate}}{1.00 - \text{LIBOR Reserve Percentage}}$$

The LIBOR Rate (Reserve Adjusted) for any interest Period for Eurodollar Rate Loans will be determined by the Liquidity Agent on the basis of the LIBOR Reserve Percentage in effect on, and the applicable rates furnished to and received by the Liquidity Agent from the Reference Banks, two Business Days before the first day of such Interest Period.

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

"Lien" shall mean any mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever, including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing and the filing of any financing statement under the UCC or-comparable law of any jurisdiction to evidence any of the foregoing; provided, however, that any assignment permitted by Sections 6.03(b), 7.02, or 7.04 of the Pooling and Servicing Agreement shall not be deemed to constitute a Lien; provided, further, however, that the lien created by the Pooling and Servicing Agreement shall not be deemed to constitute a Lien.

"Liquidity Agent" shall mean Chemical Bank and any successor Liquidity Agent appointed pursuant to the Liquidity Agreement.

"Liquidity Agreement" shall mean the Liquidity Agreement, dated as of February 10, 1993, among the CP Issuer, Ingram, Funding, the banks named therein and the Liquidity Agent, as amended from time to time.

"Liquidity Banks" shall mean the banks making or having the obligation to make Liquidity Loans pursuant to the Liquidity Agreement.

"Liquidity Commitment shall mean the obligation of the Banks to make Loans in an aggregate principal amount at any one time outstanding not to exceed (i) prior to the Amortization Period Commencement Date with respect to the Variable Funding Certificate, $150,000, 000 and (ii) on the Amortization Period Commencement Date with respect to the Variable Funding Certificate and on each date thereafter, the Requisite Commitment Level on such date.

"Liquidity Fee" shall mean the fees payable to the Liquidity Banks pursuant to Section 3.07 of the Liquidity Agreement.

"Liquidity Loan" shall have the meaning as signed to the term "Loan" in the Liquidity Agreement, as in effect on the Initial Closing Date.

"Liquidity Loan Percentage" shall mean the ratio, expressed as a percentage, of the outstanding principal amount of the Liquidity Loans (including those made by an Exiting Bank) to the aggregate amount of Advances.

"Loan Documents" shall have the meaning specified in Section 2 of the Security Agreement.

"Loan Notes" shall mean all the Revolving Loan Notes and the Refunding Loan Notes.

"Loan Obligations" shall have the meaning specified in Section 2 of the Security Agreement.

"Loans" shall mean the Revolving Loans and the Refunding Loans.

"LOC" shall mean, with respect to the Commercial Paper, each irrevocable letter of credit in favor of the Collateral Agent for the benefit of holders of Commercial Paper.

"LOC Commitment" shall mean the aggregate stated amount of the LOCs, as reduced and reinstated from time to time as provided in the LOC Reimbursement Agreement, and shall initially equal $15,000,000.

"LOC Commitment Amount" shall mean, with respect to the LOC of each LOC Issuer, the stated amount thereof which shall equal such LOC Issuer's Percentage of the LOC Commitment.

"LOC Disbursement" shall mean any amount paid under the LOC In respect of a Charge-Off Drawing (but shall not include interest or any other amounts payable with respect to the amount so paid).

"LOC Escrow Account" shall mean a segregated trust account established and maintained by the Collateral Agent for the purposes described in Section 2.03 of the LOC Reimbursement Agreement.

"LOC Expiration Date" shall mean, with respect to an LOC Issuer, December 31, 1995, or, if such LOC Issuer's Percentage of the LOC Commitment is extended pursuant to Section 2.01(c) of the LOC Reimbursement Agreement, two years after the date of such LOC Expiration Date in effect at the time of such extension.

"LOC Extension Period" shall have the meaning set forth in Section 2.01(c) of the LOC Reimbursement Agreement.

"LOC Fee" shall mean, with respect to the LOC, the fee payable pursuant to the LOC Reimbursement Agreement for each LOC Issuer in respect of its LOC.

"LOC Issuer" shall mean the Person or Persons specified as such in the LOC Reimbursement Agreement.

"LOC Payment Account" shall have the meaning assigned to such term in Section 2.04(d) of the LOC Reimbursement Agreement.

"LOC Reimbursement Agreement" shall mean the letter of credit reimbursement agreement dated as of February 10, 1993, among the LOC Issuers, Funding, Ingram, the Collateral Agent and the CP Issuer, as amended from time to time.

"Lock-Box Account" shall mean an account in the name of Funding maintained pursuant to a Lock-Box Agreement.

"Lock-Box Agreements" shall mean the collective reference to each agreement attached as Exhibit I to the Pooling and Servicing Agreement, between Funding and a Lock-Box Bank (provided, that for a period not to exceed 30 days following the Initial Closing Date, Ingram or a Designated Subsidiary may be party to any such agreement rather than Funding), pursuant to which such Lock-Box Bank receives or will receive Collections from time to time as provided therein, and any other future agreement substantially in the form of Exhibit J to the Pooling and Servicing Agreement with any other Lock-Box Bank.

"Lock-Box Banks" shall mean any of the banks listed in Exhibit B to the Purchase Agreement and Exhibit K to the Pooling and Servicing Agreement (including their successors) and any other bank which becomes a Lock-Box Bank pursuant to Section 2.06(i) of the Pooling and Servicing Agreement and which is a party to a Lock-Box Agreement and pursuant thereto holds or may in the future hold one or more lock-box accounts for receiving Collections.

"Lock-Box Notice" shall mean a notice, substantially in the form of Exhibit L to the Pooling and Servicing Agreement, from Ingram or a Designated Subsidiary to a Lock-Box Bank.

"Management Agreement" shall mean the Management Agreement dated as of February 10, 1993, between the CP-Issuer and the Manager, as from time to time amended.

"Manager" shall mean Merrill Lynch Money Markets Inc., as manager under the Management Agreement.

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

"Master Note Certificate" shall have the meaning assigned to such term in Section lO(b) of the Depositary Agreement.

"Material Subsidiary" shall mean on any day, a Designated Subsidiary the Principal Receivables of which constitute 20% or more of all Aggregate Principal Receivables on such day.

"Matured Default" shall mean any Event of Default (i) specified in Section 8.01 of the Liquidity Agreement with respect to which the Liquidity Commitment shall automatically terminate and the Loans shall automatically become due and payable, or the Liquidity Agent shall terminate the Liquidity Commitment and declare the Loans to be immediately due and payable or (ii) specified in Section 2.10 of the LOC Reimbursement Agreement following certain actions specified therein.

"Maximum Program Amount" shall initially be $150,000,000 Aggregate CP Matured Value. Subject to the satisfaction of certain conditions provided for therein, the Maximum Program Amount may be changed by amending the Variable Funding Supplement, the Liquidity Agreement, the LOC Reimbursement Agreement and the LOCs.

"Micro's Discount" shall mean for any day, by reference to the immediately preceding Determination Date, an amount equal to the decimal equivalent of the sum of (i) 0.50%, and (ii) the product of (A) the Base Rate per annum on the preceding Determination Date and (B) a fraction the numerator of which is the number of Days Sales Outstanding (solely with reference to Receivables originated by Ingram Micro Inc., a California corporation) as of the preceding Determination Date and the denominator of which is 365, and (iii) the product of (A) 0.25% and (B) the same fraction as in the preceding clause (ii)(B), plus, in the event that the Charge-Off Ratio (solely with reference to Receivables originated by Ingram Micro Inc., a California corporation) for such Determination Date exceeds 0.50%, an amount equal to such excess.

"Minimum Adjusted Eligible Principal Receivables" shall mean at any day an amount equal to (i) the sum of the Aggregate Invested Amount and the Issuer Amount, divided by (ii) 1 minus the Applicable Minimum Percentage.

"Minimum Capital Ratio" shall mean for any day, by reference to amounts set forth on the Daily Report for such day, a percentage equal to a fraction, the numerator of which shall be the sum of the following amounts:

(a) (i) 60% of Standard & Poor's DIANA. credit support level (as applicable to credit losses) and 40t of Standard & Poor's aAAA. credit support level (as applicable to dilutions) multiplied by (ii) the aggregate Unpaid Balance of Adjusted Eligible Receivables;

(b) (i) 40% of Standard & Poor's DIANA. credit support level (solely as applicable to dilutions and not to credit losses) multiplied by (ii) the aggregate Unpaid Balance of Eligible Receivables in excess of the Concentration Limits applicable to the Obligors thereunder with respect to Obligors having a long-term unsecured debt rating from Standard & Poor's of "BBB-" or better;

(c) 100% of the aggregate Unpaid Balance of Eligible Receivables in excess of the Concentration Limits applicable to the Obligors thereunder with respect to Obligors not having a long-term unsecured debt rating from Standard & Poor's of "BBB-". or better; and

(d) 100% of the aggregate Unpaid Balance of Receivables that are not Eligible Receivables,

and the denominator of which shall be the sum of the amounts described in (a)(ii), (b)(ii), (c) and (d) above, in each case with reference to all Receivables sold by Ingram to Funding under the Purchase Agreement and in existence on the date of determination (excluding any such Receivables reconveyed to Ingram pursuant to the Purchase Agreement). For purposes of this definition, Standard & Poor's "AAA" credit support level (as appllcable to credit losses) shall initially equal 14%, increased by the same percentage as any increase in the Discount Factor above 10% attributable solely to the operation of subparagraph (a) of the definition of Discount Factor, and Standard & Poor's BAA credit support level (as applicable to dilutions) shall initially equal 21%, increased by the same percentage as any increase in the Applicable Mininum Percentage above 15%.

"Multiemployer Plan" shall mean a "multiemployer plan" as defined in Section 4001(a)(3) of VISA to which contributions are or have been made during the preceding five (5) years by any Person or any ERISA Af filiate of such Person.

"New Business" shall mean any business (i) the products of which are distributed in distribution chains substantially the same as those used with respect to products of the Existing Businesses and (ii) are sold with terms that are substantially the same as those relating to products of the Existing Businesses.

"Non-Amortization Period" shall mean, with respect to each Series or the Variable Funding Certificate, the period from and including the Closing Date for such Series or the Variable Funding Certificate, up to and including the day prior to the Amortization Period Commencement Date for such Series or the Variable Funding Certificate.

"Non Pro-Rata Refunding Loan" shall have the meaning assigned to such term in Section 3.03(e) of the Liquidity Agreement.

"Non-Rata Loan" shall mean a loan by any Bank to the CP Issuer under Section 3.19 of the Liquidity Agreement and refers to a loan that bears interest at the Transaction Rate pursuant to the Liquidity Agreement.

"Notice of Borrowing" shall mean a Notice of Refunding Borrowing or a Notice of Revolving Borrowing.

"Notice of Revolving Borrowing" shall have the meaning specified in Section 3.02 of the Liquidity Agreement.

"Notice Office" shall mean the office of the Liquidity Agent or a Liquidity Bank specified in or referred to in Section 10.06 of the Liquidity Agreement, or such other office as such Liquidity Bank may designate in writing to the CP Issuer and the Liquidity Agent as the Notice Office.

"Obligor" shall mean, with respect to any Receivable, the Person or

Persons obligated to make payments with respect to such Receivable under a Contract.

"Obligated Parties" shall mean the "Borrowers" and the Guarantors un er that certain Credit Agreement, dated as of December 15, 1992, among the Borrowers, Guarantors and Lenders named therein, as such Credit Agreement may be amended from time to time, together with such other Affiliates of Ingram as may from time to time become either a Borrower or a Guarantor thereunder.

"Officer's Certificate" shall mean a certificate signed by the Chairman of the Board, President, Treasurer, Controller or any Vice President of the Transferor or the Servicer or, in the case of a Successor Servicer, a certificate signed by a Vice President (or an officer holding an office with equivalent or more senior responsibilities) of such Successor Servicer, and delivered to the Trustee.

"Official Body" shall mean any government or political subdivision or any agency, authority, bureau, central bank, commission, department or instrumentality thereof, or any court, tribunal, grand jury or arbitrator, in each case whether foreign or domestic.

"One Month Dilution Ratio" shall mean at any Determination Date, the percentage equivalent of a fraction the numerator of which is the aggregate amount of Credits with respect to Adjusted Eligible Receivables which occurred in the Settlement Period immediately preceding such Determination Date and the denominator of which is the Unpaid Balance of all Adjusted Eligible Receivables in the Trust at the end of such Settlement Period.

"Opinion of Counsel" shall mean a written opinion of counsel, who may be an employee of the Transferor or the Servicer and who shall be reasonably acceptable to the Trustee.

"Original Term" shall mean, for each Eligible Receivable, the stated term allowed to the related Obligor for payment of such Eligible Receivable at the time such Eligible Receivable was created and transferred to the Trust.

"Outstanding" shall mean, with respect to the Commercial Paper Notes, all Commercial Paper Notes issued and authenticated pursuant to the Depositary Agreement, other than those Commercial Paper Notes that have been paid in full or which have matured and for the payment of which funds equal to the CP Matured Value are available and are on deposit in the Commercial Paper Account.

"Outstanding Series" shall have the meaning specified in Section 4.03(b)(vi) of the Pooling and Servicing Agreement.

"Paying Agent" shall mean any paying agent appointed pursuant to Section 6.06 of the Pooling and Servicing Agreement and shall initially be the Trustee.

"Payment Date" shall mean with respect to any Series or the Variable Funding Certificate the date specified as such in the applicable Supplement.

"Payment Office" shall mean the office of the Liquidity Agent as specified in Section 10.06 of the Liquidity Agreement or such other office as the Liquidity Agent may designate in writing to the CP Issuer and the Liquidity Banks.

"Payment Sharing Notice" shall mean a written notice from the CP Issuer or any Bank informing the Liquidity Agent that an Event of Default has occurred and is continuing and directing the Liquidity Agent to allocate payments received from the CP Issuer in accordance with the Liquidity Agreement.

"PBGC" shall mean the Pension Benefit Guaranty Corporation (or any successor).

"Percentage" shall mean (a) in the case of a Bank:

(i) at any time with respect to any payments to be made under the Facilities Documents to any Bank other than an Exiting Bank, and for determinations of Required Banks with respect to such Bank, a fraction, expressed as a percentage, the numerator of which is the Bank Commitment Amount of such Bank in effect at such time and the denominator of which is the Liquidity Commitment in effect at such time;

(ii) at any time that there is an Exiting Bank, with respect to determinations by the Required Banks in which the Exiting Bank is entitled to participate, such Exiting Bank's "Percentage" shall be a fraction, expressed as a percentage, the numerator of which is equal to the principal amount of such Exiting Bank's Loans outstanding at such time and the denominator of which is equal to the sum of (i) the Liquidity Commitment in effect at such time and (ii) the aggregate principal amount of Loans made by all then Exiting Banks outstanding at such time; and

(b) in the case of an LOC Issuer:

(i) at any time with respect to any payments to be made under the Facilities Documents to any LOC Issuer other than an Exiting LOC Issuer, and for determinations of Required LOC Issuers with respect to such LOC Issuer, a fraction, expressed as a percentage, the numerator of which is the LOC Commitment Amount of such LOC Issuer in effect at such time and the denominator of which is the LOC Commitment in effect at such time;

(ii) at any time that there is an Exiting LOC Issuer, with respect to determinations by the Required LOC Issuers in which the Exiting LOC Issuer is entitled to participate, such Exiting LOC Issuer's "Percentage" shall be a fraction, expressed as a percentage, the numerator of which is equal to the principal amount of such Exiting LOC Issuer's LOC Disbursements outstanding at such time and the denominator of which is equal to the sum of (i) the LOC Commitment in effect at such time and (ii) the aggregate principal amount of LOC Disbursements made by all then Exiting LOC Issuers outstanding at such time.

"Permitted Investments" shall mean: (a) negotiable instruments or securities represented by instruments in bearer or registered form which evidence (i) obligations fully guaranteed as to timely payment by the United States of America; (ii) certificates of deposit of, or bankers' acceptances (having original maturities of not more than 180 days) issued by, any depository institution or trust company and subject to supervision and examination by federal or state banking or depository institution authorities; provided, however, that at the time of the Trust's investment or contractual commitment to invest therein, such depository institution or trust company shall have a commercial paper credit rating, if any, and a long-term unsecured debt obligation (other than such obligations whose rating is based on the credit of a person or entity other than such institution or trust company) credit rating of at least "WA-1+" by S&P and, if rated by Fitch, "F-1" by Fitch, in the case of commercial paper, and a rating not lower than "AAA" by S&P and, if rated by Fitch, "AAA" by Fitch, in the case of long-term unsecured debt obligations, or such deposits are fully insured by the FDIC; (iii) commercial paper (having original maturities of not more than 180 days) having, at the time of the Trust's investment or contractual commitment to invest therein, a rating of at least "A-l+" by S&P and, if rated by Fitch, "F-l+" by Fitch; (iv) investments in money market funds having a rating of at least "AAA" by SOP and, if rated by Fitch, "F-1+" by Fitch; and (v) any other investment, if the applicable Rating Agency confirms in writing that such investment will not adversely affect any ratings with respect to any Series of Investor Certificates, and which shall be acceptable to the Trustee and (b) demand deposits or time deposits in the name of the Trust or the Trustee in any depository institution or trust company referred to in (a)(ii) above.

"Permitted Lien" shall mean: (i) Liens in favor of-the Collateral Agent created pursuant to the Security Agreement; and (ii) Liens which are in all respects junior under the applicable UCC to the Liens created by the Security Agreement and which secure the payment of taxes, assessments and governmental charges or levies, either (a) not delinquent or (b) being contested in good faith by appropriate legal or administrative proceedings and as to which adequate reserves in accordance with GAAP shall have been established, but only so long as such proceedings could not subject the CP Issuer, any Liquidity Bank or the Collateral Agent to any civil or criminal penalty or liability or involve any risk of the loss, sale or forfeiture of any of the Collateral.

"Person" shall mean any legal person, including any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, governmental entity or other entity of similar nature.

"Plan" shall mean, with respect to any Person, any employee pension benefit plan that (a) is maintained by such Person or any ERISA Affiliate of such Person, or to which contributions by any such Person are required to be made or under which such Person has or could have any liability, (b) is subject to the provisions of Title IV of ERISA and (c) is not a Multiemployer Plan.

"Plan Event" shall mean, with respect to any Person, (a) the provision of a notice of intent to terminate any Plan under Section 4041 of ERISA other than in a "standard termination", (b) the receipt of any notice by any Plan to the effect that the PBGC intends to apply for the appointment of a trustee to administer any Plan, (c) the termination of any Plan which results in any material liability of such Person, (d) the withdrawal of such Person or any ERISA Affiliate of such Person from any Plan described in Section 4063 of ERISA which could be reasonably expected to result in a material liability of such Person, (e) the complete or partial withdrawal of such Person or any ERISA Affiliate of such Person from any Multiemployer Plan which can be reasonably anticipated to result in a material liability of such Person, (f) a Reportable Event or an event described in Section 4068(f) of ERISA which may result in a material liability of such Person, and (g) any other event or condition which under ERISA or the Code could be reasonably expected to constitute grounds for the imposition of a lien on the assets of such Person in respect of any Plan or Multiemployer Plan.

"Pool Factor" shall mean, with respect to any Series and any Record Date, a number carried out to eight decimals representing the ratio of the related Invested Amount as of such Record Date (determined after taking into account any reduction in the applicable Invested Amount which will occur on the following Payment Date) to the related Initial Invested Amount.

"Pooling and Servicing Agreement" shall mean the Pooling and Servicing Agreement, dated as of February 10, 1993, by and among the Transferor, the Servicer, and the Trustee, and all amendments thereof and supplements thereto, including any Supplement.

"Portfolio Yield" with respect to any Series shall have the meaning (if any) specified in the applicable Supplement.

"Post-Default Rate" shall mean with respect to all or any portion of any Loan not paid when due (whether at the stated maturity, by acceleration or

otherwise, a rate per annum for each day during the period (the "Default Period") commencing on the due date of all or such portion of such Loan until such Loan or such portion is paid in full (after as well as before judgment) equal to 2% above (a) if such Loan is a Eurodollar Loan or C/D Rate Loan continued or converted pursuant to the Liquidity Agreement, the Applicable Margin plus the LIBO Rate or C/D Rate for Interest Periods during the Default Period or (b) if such Loan is a Base Rate Loan, the Applicable Margin plus the Base Rate.

"Principal Account" shall mean the sub-account of the Collateral Account Into which the proceeds of Commercial Paper not retained in the Commercial Paper Account and the proceeds of the Collateral to be used (i) to pay the Principal Component of the Commercial Paper (including any Capitalized Interest Component), outstanding principal on Loans and LOC Disbursements, and (ii) to purchase Issuer Additional Amounts, will be deposited and held exclusively for such purposes.

"Principal Collections" shall have the meaning specified in Section 4.03(b) of the Pooling and Servicing Agreement.

"Principal Component" shall mean when used with respect to Commercial Paper issued on a discount basis the excess of the CP Matured Value over the Interest Component thereof.

"Principal Funding Account" shall mean, for any Series, the account, if any, established pursuant to the related Supplement in which amounts representing principal payable on the Investor Certificates of such Series will be deposited and held until paid to Certificateholders.

"Principal Receivables" shall mean the Unpaid Balance of Receivables less the amount thereof allocable to Imputed Yield. Principal Receivables shall be calculated by subtracting from the Unpaid Balance of Receivables the product of such Unpaid Balance and the Discount Factor.

"Principal Terms" shall have the meaning specified in Section 6.09(b) of the Pooling and Servicing Agreement.

"Private Placement Exemption" shall have the meaning specified in Section 6.02 of the Pooling and Servicing Agreement.

"Proprietary Information" shall have the meaning specified in Section 10.15(b) of the Liquidity Agreement.

"Proprietary Event of Termination" shall have the meaning specified in Section 2.03(m) of the Pooling and Servicing Agreement.

"Purchase Agreement" shall mean the Asset Purchase and Sale Agreement, dated as of February 10, 1993 by and between Funding, as buyer, and Ingram, as seller, and all amendments and supplements thereto.

"Purchase Date" shall mean the date on which a Receivable is conveyed to the Buyer and the Purchase Price therefor is due and payable.

"Purchase Price" shall have the meaning as signed to such term in Section 3.1 of the Purchase Agreement.

"Rating Agency" shall mean, with respect to each Series or the Commercial Paper supported by the Variable Funding Certificate, the rating agency or rating agencies that rated the Series or such Commercial Paper, as the case may be, at the request of the Servicer.

"Rating Agency Fees" shall mean the periodic fees of the Rating Agency.

"Reassignment" shall have the meaning specified in Section 2.04 of the Pooling and Servicing Agreement.

"Receivable" shall mean each account receivable that is owing upon creation to (i) the Ingram Book Company division of Ingram (and is identified on the separate computer system of such division by a seven digit account number commencing with the numerals "20") or (ii) a Designated Subsidiary by an Obligor under a Contract arising from a sale of goods, merchandise and/or services by Ingram or such Designated Subsidiary, including all obligations of such Obligor with respect thereto and all rights of a secured party (as such term is defined in the UCC) with respect to such Unpaid Balance, including, without limitation, all proceeds of the foregoing, but not including a Reconveyed Receivable. A Receivable shall be deemed to have been created at the end of the day on the Date of Processing of such Receivable.

"Receivables Documents" shall mean all Contracts giving rise to the Receivables and other evidences of Receivables including, without limitation, tapes, discs, punch cards and related property and rights.

"Reconveyed Receivable" shall have the meaning specified in Section 6.1(a)(i) of the Purchase Agreement.

"Record Date" shall have the meaning specified in the applicable Supplement.

"Recoveries" shall mean all amounts (including proceeds of credit insurance, if any) received by the Servicer with respect to Receivables which have previously become Defaulted Receivables.

"Reference Banks" shall mean initially Chemical Bank, NationsBank of North Carolina, N.A. and The Bank of Nova Scotia and thereafter, each Liquidity Bank appointed and acting as a Reference Bank pursuant to Section 3.11 of the Liquidity Agreement.

"Refunding Loan" shall mean a loan made by a Bank pursuant to Section 3.03 of the Liquidity Agreement, the proceeds of which are to be used by the CP Issuer to repay maturing Commercial Paper or an outstanding Revolving Loan. All Refunding Loans shall be Base Rate Loans. Refunding Loans shall include any Non-Pro Rata Refunding Loan.

"Refunding Loan Note" shall mean a promissory note of the CP Issuer, substantially in the form of Exhibit B to the Liquidity Agreement, evidencing Refunding Loans.

"Regulatory Change" shall mean, as to any class of banks, any change after the date hereof in any (or the adoption after the date hereof of any new):

(a) Federal or state law or foreign law applicable to such class of banks; or

(b) regulation, interpretation, directive or request (whether or not having the force of law) applying to such class of banks of any court, central bank or governmental authority or agency charged with the interpretation or administration of any law referred to in clause (a) of this definition or of any fiscal, monetary or other authority having jurisdiction over such class of banks.

"Related Security" shall mean with respect to any Receivable the right, title and interest of the Seller, when such term is used in the Purchase Agreement, and of the Transferor, when such term is used in the Pooling and Servicing Agreement, in the merchandise (including returned merchandise), if any, relating to the sale which gave rise to such Receivable, (b) all other 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, (c) the assignment for the benefit of the Buyer, when such term is used in the Purchase Agreement, or the Trustee, when such term is used in the Pooling and Servicing Agreement, of all UCC financing statements or similar instruments covering any collateral securing payment of such Receivable, (d) all of the Transferor's right, title and interest in, to and under the Purchase Agreement, (e) all guarantees, insurance and other agreements or arrangements 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 (f) all other instruments and all rights under the Receivables Documents relating to such Receivables and all rights (but not obligations) relating to such Receivables.

"Reorganization" shall mean, with respect to any Multiemployer Plan, the condition that such Plan is in reorganization within the meaning of Section 4241 of ERISA.

"Reportable Event" shall mean any of the events set forth in Section 4043(b) of ERISA, other than those events as to which the thirty-day notice period is waived under subsections .13, .14, .16, .18, .19 or .20 of PBGC Regulation Section 2615.

"Repurchase Terms" shall mean, with respect to any Series or the Variable Funding Certificate, the terms and conditions, if any, under which the Transferor may repurchase such Series or the Variable Funding Certificate pursuant to Section 12.02 of the Pooling and Servicing Agreement as stated as such in the applicable Supplement.

"Required Banks" shall mean Banks whose Percentages are, in the aggregate, more than 65%.

"Required LOC Issuers" shall mean LOC Issuers whose Percentages are, in the aggregate, more than 65%.

"Requirements of Law" for any Person shall mean the certificate of incorporation or articles of association 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 Governmental Authority, in each case applicable to or binding upon such Person or to which such Person is subject, whether Federal, state or local (including, without limitation, usury laws, the Federal Truth in Lending Act and Regulation Z and Regulation B of the Board).

"Requisite Commitment Level" shall mean, as of any date, an amount equal to the sum of (i) the Aggregate CP Matured Value, (ii) the aggregate principal amount of all outstanding Loans (such sum to be rounded upward to the nearest multiple of $1,000,000), and (iii) the aggregate amount of all LOC Disbursements outstanding on such day, subject to a maximum amount of $150,000, 000.

"Reserve Fund" shall mean the reserve fund established for the benefit of any Series of Certificates or the Variable Funding Certificate, as specified in the applicable Supplement, which reserve fund may be a subaccount of the Collection Account.

"Responsible Officer", when used with respect to the Trustee, shall mean any officer within the Corporate Trust Office (or any successor group of the Trustee) with direct responsibility for the administration of the Pooling and Servicing Agreement, or to whom any corporate trust matter is referred at the Trustee's Corporate Trust Office because of his knowledge of and familiarity with the particular subject and, when used with respect to the Collateral Agent, shall mean any officer within the Corporate Trust Office (or any successor group of the Collateral Agent) with direct responsibility for the administration of the Security Agreement.

"Retired Series" shall have the meaning specified in Section 4.03(b)(vi) of the Pooling and Servicing Agreement.

"Revolving Loan" shall mean a loan made by a Bank pursuant to Section 3.02 of the Liquidity Agreement and shall be (i) a Base Rate Loan, (ii) a Eurodollar Loan or (iii) a C/D Rate Loan.

"Revolving Note" shall mean the note in the form annexed to the Purchase Agreement as Exhibit A issued to Ingram by Funding in connection with the purchase of Receivables pursuant to Section 2.1 of the Purchase Agreement.

"Scheduled Maturity Date" shall mean with respect to any Series, the date specified as such in the related Supplement.

"Secured Parties" shall have the meaning specified in the Security Agreement.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Security Agreement" shall mean the Pledge and Security Agreement, dated as of February 10, 1993 among the CP Issuer and the Collateral Agent and, solely for the limited purpose described therein, the Depositary, the Liquidity Agent, each LOC Issuer, the CP Dealer and the Manager, as amended from time to time.

"Seller" shall mean Ingram.

"Seller's Discount" shall mean for any day, by reference to the immediately preceding Determination Date, an amount equal to the decimal equivalent of the sum of (i) 0.50%, (ii) the product of (A) the Base Rate per annum on the preceding Determination Date and (B) a fraction the numerator of which is the number of Days Sales Outstanding as of the preceding Determination Date and the denominator of which is 365, and (iii) the product of (A) 0.25% and (B) the same fraction as in the preceding clause (ii)(B), plus, in the event that the Charge-Off Ratio (calculated on a weighted average basis with reference to the Ingram Book Company division of Ingram and each Designated Subsidiary) for such Determination Date exceeds 0.50%, an amount equal to such excess.

"Sender" shall have the meaning specified in Section 10(i) of the Depositary Agreement.

"Series" shall mean any series of Investor Certificates issued under Section 6.09 of the Pooling and Servicing Agreement but not the Variable Funding Certificate.

"Series Termination Date" shall mean, with respect to any Series, the date stated as such in the applicable Supplement.

"Service Transfer" shall have the meaning specified in Section 10.01 of the Pooling and Servicing Agreement.

"Servicer" shall initially mean Ingram and thereafter any Person appointed as successor as provided in the Pooling and Servicing Agreement to service the Receivables.

"Servicer Default" shall have the meaning specified in Section 10.01 of the Pooling and Servicing Agreement.

"Servicing Fee" shall have the meaning specified in Section 3.02 of the Pooling and Servicing Agreement.

"Servicing Fee Deficiency Amount" shall have the meaning specified in Section 4.05(b) of the Pooling and Servicing Agreement as set forth in the Variable Funding Supplement.

"Servicing Fee Percentage" shall mean, with respect to any Series or the Variable Funding Certificate, the percentage specified as such in the applicable Supplement.

"Servicing Officer" shall mean any officer or employee of the Servicer involved in, or responsible for, the administration and servicing of the Receivables whose name appears on a list furnished to the Trustee by the Servicer, as such list may from time to time be amended.

"Settlement Date" shall mean, with respect to any Determination Date, the Business Day immediately succeeding such Determination Date.

"Settlement Period" shall mean a calendar month; provided, however, that, in the case of the initial Settlement Period, "Settlement Period" shall mean the period from and including the Initial Closing Date to and including the last day of the calendar month in which the Initial Closing Date occurs.

"Settlement Statement" shall mean a report for each Determination Date, issued on each Settlement Date, showing the items and making the computations included in the form of the Settlement Statement attached as Exhibit H to the Pooling and Servicing Agreement.

"Shareholder's Equity" as of any day shall mean the amount shown (or that would be shown) as "shareholder's equity" on a balance sheet of Funding as of such date prepared in accordance with GAAP.

"Special Drawing" shall have the meaning specified in Section 2.03(a) of the LOC Reimbursement Agreement.

"Specified Eligible Receivables" shall have the meaning assigned to such term in Section 3.01(c) of the Liquidity Agreement.

"Standard & Poor's" or SAP" shall mean Standard & Poor's Corporation.

"Statutory Reserves" shall mean a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves), expressed as decimals, established by the Board and any other Governmental Authority to which any Liquidity Bank is subject for new negotiable nonpersonal time deposits in dollars of over $100,000 with maturities approximately equal to three months. Such reserve percentages shall include those imposed pursuant to Regulation D of the Board. Statutory Reserves shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Subordinated Capital Note" shall mean the note in the form annexed to the Purchase Agreement as Exhibit F issued by Funding to Ingram in connection with the maintenance of capital pursuant to Section 3.5 of the Purchase Agreement.

"Subsidiary" shall mean any corporation 50% or more of the outstanding voting securities of which shall at the time be owned or controlled, directly or indirectly, by Ingram or by one or more Subsidiaries, or by Ingram and one or more Subsidiaries, or any similar business organization which is so owned or controlled.

"Subsidiary Purchase Agreement" shall mean any asset purchase and sale agreement entered into between Ingram, as buyer, and a Designated Subsidiary, as seller, for the purchase and sale of Receivables created by such Designated Subsidiary, substantially in the form attached as Exhibit G to the Purchase Agreement, and all amendments and supplements thereto.

"Successor Servicer" shall have the meaning specified in Section 10.02 of the Pooling and Servicing Agreement.

"Supplement" shall mean, with respect to any Series or the Variable Funding Certificate, a supplement to the Pooling and Servicing Agreement complying with the terms of Section 6.09 thereof.

"Supplemental Payments" shall mean, with respect to the Variable Funding Certificate, an amount equal to the sum of any prepayment penalty pursuant to Section 5.02(b) of the Liquidity Agreement, any expense or liability of the CP Issuer in respect of Facilities Costs 4 and Facilities Costs 5 and any other cost, expense or liability of the CP Issuer not otherwise included in Carrying Costs.

"Taxes" shall have the meaning assigned to such term in Section 3.10(a) of the Liquidity Agreement.

"Termination Date" shall have the meaning set forth in Section 8.1 of the Purchase Agreement.

"Termination Notice" shall have the meaning specified in Section 10.01 of the Pooling and Servicing Agreement.

"Tranche" shall mean the collective reference to Eurodollar Loans or C/D Rate Loans, as the case may be, the Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day); Tranches may be identified as "Eurodollar Tranches" or "C/D Rate Tranches", as applicable.

"Transaction Rate" shall mean the rate or rates as the CP Issuer and any Bank may agree on from time to time with respect to any portion of such Bank's Note which is made, maintained or converted into a Non-Rata Loan.

"Transfer Agent and Registrar" shall have the meaning specified in Section 6.03 of the Pooling and Servicing Agreement and shall initially be the Trustee.

"Transfer Date" shall mean, with respect to any Payment Date, the Business Day next preceding such Payment Date.

"Transfer Deposit Amount" shall mean, with respect to any Reconveyed Receivable for any Business Day, an amount equal to the amount of the Unpaid Balance of the Reconveyed Receivable at the end of the preceding Business Day.

"Transferor" shall mean Ingram Funding Inc., a Delaware corporation.

"Transferor Account" shall mean the account provided for in Section 4.02 of the Pooling and Servicing Agreement.

"Transferor Account Deposit Amount" shall mean, with reference to any day on which the Transferor Eligible Amount is, or would be, less than the Transferor Minimum Amount, or the Adjusted Eligible Principal Receivables are, or would be, less than the Minimum Adjusted Eligible Principal Receivables, an amount equal to (a) the difference between the Transferor Minimum Amount and the Transferor Eligible Amount, or the difference between Minimum Adjusted Eligible Principal Receivables and Adjusted Eligible Principal Receivables, divided by (b) 100% minus the Discount Factor as of the most recent Determination Date.

"Transferor Amount" shall mean for any day, the excess, if any, of (1) the sum of (a) Aggregate Principal Receivables for the prior Business Day (or the Initial Closing Date) and (b) the product of (i) the amount, if any, held in the Transferor Account multiplied by (ii) 100% minus the

Discount Factor as of the most recent Determination Date over (2) the sum of the Issuer Amount and the Aggregate Invested Amounts for such day.

"Transferor Certificate" shall mean the certificate executed by the Transferor and authenticated by the Trustee, substantially in the form of Exhibit C to the Pooling and Servicing Agreement.

"Transferor Eligible Amount" shall mean for any day the excess, if any, of (1) the sum of (a) Adjusted Eligible Principal Receivables for the prior Business Day (or the Initial Closing Date) and (b) the product of (i) the amount, if any, held in the Transferor Account multiplied by (ii) 100% minus the Discount Factor as of the most recent Determination Date over (2) the sum of the Issuer Amount and the Aggregate Invested Amount for such day.

"Transferor Eligible Receivables Amount" shall mean, with respect to any Business Day, the amount of Adjusted Eligible Principal Receivables minus the Issuer Amount minus the Aggregate Invested Amount for such day.

"Transferor Interest" shall have the meaning specified in Section 4.01 of the Pooling and Servicing Agreement.

"Transferor Minimum Amount" shall mean, with respect to any Business Day, an amount equal to (i) a fraction, the numerator of which is the sum of the Issuer Amount and the Aggregate Invested Amount and the denominator of which is equal to 100% minus the Applicable Minimum Percentage minus (ii) the sum of the Issuer Amount and the Aggregate Invested Amount; provided, that as of the Amortization Period Commencement Date for the Variable Funding Certificate or any Series, the Transfer or Minimum Amount, expressed as a dollar amount, shall be held constant at the Transferor Minimum Amount required as of such Amortization Period Commencement Date until the Amortization with respect to the Variable Funding Certificate or such Series shall have been effected.

"Transferor Minimum Receivables Amount" shall mean, with respect to any Business Day, an amount equal to 1/3 of the Transferor Minimum Amount required on such day.

"Transferor Percentage" shall mean, with respect to the Transferor Certificate for any day, the excess on such day, if any, of (a) 100% over (b) the sum of (1) the Aggregate Invested Percentage and (2) the Issuer Percentage.

"Trust" shall mean the trust created by the Pooling and Servicing Agreement.

"Trust Assets" shall have the meaning specified in Section 7751 of the Pooling and Servicing Agreement.

"Trustee" shall mean the institution executing the Pooling and Servicing Agreement as trustee, or its successor in interest, or any successor trustee appointed as provided in the Pooling and Servicing Agreement.

"Type" shall mean, as to any Loan, its nature as a Base Rate Loan, a Eurodollar Loan or a C/D Rate Loan.

"UCC" shall mean the Uniform Commercial Code, as amended from time to time, as in effect in any specified or applicable jurisdiction.

"Unallocated Collections" shall have the meaning specified in Section 4.03(b](vi) of the Pooling and Servicing Agreement.

"Undistributed Issuer Imputed Yield Collections" shall have the meaning specified in Section 4.05(k) of the Pooling and Servicing Agreement as modified by the Variable Funding Supplement.

"Undivided Interest" shall mean the undivided interest of any Investor Certificateholder or the Holder of the Variable Funding Certificate in the Trust. Such Undivided Interest is to be measured, in the case of any Investor Certificateholder, by such Holder's pro rata share of the Invested Amount of the related Series, and in the case of the Holder of the Variable Funding Certificates, the Issuer Amount.

"Unearned Amounts" shall mean on each Determination Date the excess of amounts paid on the Variable Funding Certificate pursuant to Section 4.05(a) of the Pooling and Servicing Agreement as set forth in the Variable Funding Supplement during the related Settlement Period over the amount of interest accrued on the Variable Funding Certificate at the Issuer's Interest Rate during such period.

"Unpaid Balance" shall mean at any time, with respect to the Variable Funding Certificate, the Issuer Amount as of such day without reference to clause (d) of the definition of "Issuer Amounts" and, with respect to a Receivable, the outstanding amount of the indebtedness of the related Obligor incurred in connection with a particular purchase under or evidenced by the related Contract, exclusive of any sales or other tax, if any, included or payable with respect to such purchase.

"Unpaid Certificate Balance" shall mean, for any day and with respect to any Investor Certificate, the Invested Amount of such Certificate as of such day without reference to clause (c) of the definition of "Invested-Amount".

"Unreimbursed Disbursement Rate" shall have the meaning specified in Section 2.03 of the LOC Reimbursement Agreement.

"Unutilized Liquidity Commitment" shall mean at any time the Available Liquidity Commitment less the sum of the principal amount of the Loans and the

Aggregate CP Matured Value of the Commercial Paper Outstanding at such time.

"Variable Funding Certificate" shall mean a certificate issued pursuant to Section 6.09 of the Pooling and Servicing Agreement, substantially in the form of Exhibit B to the Pooling and Servicing Agreement.

"Variable Funding Supplement" shall mean, with respect to the Variable Funding Certificate, a Supplement to the Pooling and Servicing Agreement complying with the terms of Section 6.09 thereof.

"Vice President" when used with respect to the Transferor or the Servicer shall mean any vice president whether or not designated by a number or word or words added before or after the title "vice president".

"Weighted Average Term" shall mean for any day, with respect to all Eligible Receivables held in the Trust on such day, the number of days calculated by (a) multiplying, with respect to Eligible Receivables grouped by sales terms category, (i) the average number of days that Eligible Receivables in such category remain outstanding based on the Original Term thereof by (ii) the aggregate Unpaid Balances of the Eligible Receivables in such category (expressed as a numeral), (b) adding each of the products calculated pursuant to clause (a) to derive the total thereof, and (c) dividing such total amount by the aggregate Unpaid Balances of all such Eligible Receivables (expressed as a numeral).

"Working Day" shall mean any Business Day on which dealings in foreign currencies and exchange between banks or in Dollar deposits in the Eurodollar market may be carried on in London, England.

"written" or "in writing" shall mean any form of written communication, including, without limitation, by means of telex, telecopier device, telegraph or cable.

EXHIBIT 10.24

==========

INGRAM FUNDING INC.
Buyer
and
INGRAM INDUSTRIES INC.
Seller

==========

ASSET PURCHASE AND SALE AGREEMENT
Dated as of February 10, 1993

ASSET PURCHASE AND SALE AGREEMENT

ASSET PURCHASE AND SALE AGREEMENT, dated as of February 10, 1993, by and between INGRAM INDUSTRIES INC., a Tennessee corporation (the "Seller"), and INGRAM FUNDING INC., a Delaware corporation (the "Buyer").

W I T N E S S E T H :

WHEREAS, the Buyer desires to purchase from time to time certain trade accounts receivable of certain obligers generated on or before the Cut-Off Date (as hereinafter defined) or to be generated after the Cut-Off Date by the Seller or a Designated Subsidiary (as hereinafter defined) in the normal course of their respective businesses pursuant to written agreements or with invoices on open accounts;

WHEREAS, the Seller desires to sell from time to time and assign certain trade accounts receivable to the Buyer upon the terms and conditions hereinafter set forth;

WHEREAS, the Seller and the Buyer are entering into this Agreement with the intention that the transactions contemplated hereby will be executed;

WHEREAS, the Buyer is an affiliate of the Seller;

NOW, THEREFORE, it is hereby agreed by and between the Buyer and the Seller as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Definitions by reference herein, attached hereto as Annex X. All other capitalized terms used herein shall have the meanings specified herein.

Section 1.2 Other Definitional Provisions. The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement or any Conveyance Paper shall refer to this Agreement as a whole and not to any particular provision of this Agreement; and Section, Subsection, Schedule and Exhibit references contained in this Agreement are references to Sections, Subsections, Schedules and Exhibits in or to this Agreement unless otherwise specified.

[END OF ARTICLE I]

ARTICLE II

PURCHASE, CONVEYANCE AND SERVICING OF RECEIVABLES; DESIGNATED SUBSIDIARIES

Section 2.1 Sale. (a) Upon the terms and subject to the conditions set forth herein, the Seller hereby sells, assigns, transfers and conveys to the Buyer, and the Buyer hereby purchases from the Seller, on the terms and subject to the conditions specifically set forth herein, all of the Seller's right, title and interest, whether now owned or hereafter acquired, in, to and under (i) all Receivables outstanding on the Cut-Off Date and thereafter created by the Ingram Book Company division of the Seller or by a Designated Subsidiary, in each case, together with all Related Security and all other instruments and all rights under the Receivables Documents relating to such Receivables and all rights (but not the obligations) relating to such Receivables, (ii) with respect to the Receivables, all accounts, chattel paper, general intangibles and instruments (each, as defined in the applicable UCC) outstanding on the Cut-Off Date and thereafter created by the Ingram Book Company division of the Seller or a Designated Subsidiary, and all rights (but not the obligations) relating thereto, (iii) all monies due or to become due with respect thereto, and (iv) all proceeds of the foregoing. The foregoing sale, assignment, transfer and conveyance does not constitute an assumption by the Buyer of any obligations of the Seller, any Designated Subsidiary or any other Person to Obligors or to any other Person in connection with the Receivables or under any Related Security or other agreement and instrument

relating to the Receivables.

(b) In connection with the foregoing sale, the Seller agrees to record and file, at its own expense, a financing statement or statements with respect to the Receivables (including Receivables originated by any Designated Subsidiary) and the other property described in clauses (i), (ii), (iii) and (iv) of Section 2.1(a) sold by the Seller hereunder meeting the requirements of applicable state law in such manner and in such jurisdictions as are necessary to perfect and protect the interests of the Buyer created hereby under the applicable UCC against all creditors of and purchasers from the Seller and each Designated Subsidiary, and to deliver a filestamped copy of such financing statements or other evidence of such filings to the Buyer within 10 days after the Initial Closing Date.

(c) The Buyer shall not purchase Receivables hereunder if the Seller shall become an involuntary party to (or be made the subject of) any proceeding provided for by any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to the Seller or relating to all or substantially all of its property (an "Involuntary Case') upon receipt by the Seller at its head corporate office of notice of such Involuntary Case.

(d) The Buyer shall not purchase Receivables hereunder if the Seller shall admit in writing its in ability to pay its debts as they are due, or the Seller shall commence a voluntary case under the federal bankruptcy laws, as now or hereafter in effect, or any present or future federal or state bankruptcy, insolvency or similar law, or the Seller shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Seller or of any substantial part of its property or the Seller shall make an assignment for the benefit of creditors or the Seller shall fail generally to pay its debts as such debts become due or the Seller shall take corporate action in furtherance of any of the foregoing.

(e) In connection with the sale and conveyance hereunder, the Seller agrees, at its own expense, on or prior to the Initial Closing Date and on each Business Day thereafter, to indicate clearly and unambiguously in its computer and microfiche files that such Receivables and the other property described in clauses (i), (ii) and (iii) of Section 2.1(a) have been conveyed to the Buyer pursuant to this Agreement as of the Cut-Off Date or such Business Day as applicable.

(f) It is the express intent of the Seller and the Buyer that the conveyance of the Receivables by the Seller to the Buyer pursuant to this Agreement be construed as a sale of such Receivables by the Seller to the Buyer. It is, further, not the intention of the Seller and the Buyer that such conveyance be deemed a grant of a security interest in the Receivables by the Seller to the Buyer to secure a debt or other obligation of the Seller. However, in the event that, notwithstanding the intent of the parties, the Receivables are held to continue to be property of the Seller, then (i) this Agreement also shall be deemed to be and hereby is a security agreement within the meaning of the UCC; and (ii) the conveyance by the Seller provided for in this Agreement shall be deemed to be and the Seller hereby grants to the Buyer a security interest in and to all of the Seller's right, title and interest in (w) all Receivables outstanding on the Cut-Off Date and thereafter created by the Ingram Book Company division of the Seller or by a Designated Subsidiary, in each case, together with all Related Security and all other instruments and rights under the Receivables Documents relating to such Receivables and all rights (but not the obligations) relating to such Receivables, (x) with respect to the Receivables, all accounts, chattel paper, general intangibles and instruments (each, as defined in the applicable UCC) outstanding on the Cut-Off Date and thereafter created by the Ingram Book Company division of the Seller or a Designated Subsidiary, and all rights (but not the obligations) relating thereto, (y) all monies due or to become due with respect thereto and (z) all proceeds of the foregoing to secure (1) the rights of the Buyer and (2) a loan to the Seller in the amount of the Purchase Price as set forth in this Agreement (the "Secured Obligations"). The Seller and the Buyer shall, to the extent consistent with this Agreement, take such actions as may be necessary to ensure that, if this Agreement were deemed to create a security interest in the Receivables, such security interest would be deemed to be a perfected security interest of first priority in favor of the Buyer under applicable law and will be maintained as such throughout the term of this Agreement. The Seller and the Buyer may rely upon an Opinion of Counsel addressed to them as to what is required to provide the Buyer with such security interest and any such Opinion of Counsel shall permit the Certificateholders and the Rating Agencies to rely on it.

Section 2.2 Designated Subsidiaries. The Seller may (i) remove one or more Subsidiaries then designated as Designated Subsidiaries by delivering written notice to the Buyer and, upon delivery of such notice, such Designated Subsidiary shall cease to be a Designated Subsidiary for purposes of this Agreement, or (ii) with the prior written consent of the Buyer, designate one or more additional Subsidiaries, which shall be and remain members of Ingram Distribution Group Inc. as Designated Subsidiaries subject to such conditions (including, without limitation, delivery of satisfactory Subsidiary Purchase Agreements, corporate resolutions and other documents and legal opinions (including covering the matters referred to in Section 4.2(a)(ii) hereof) and filing of UCC-1 financing statements with respect to such Designated Subsidiary) as the Buyer may require; Provided, however, that in the case of (i) and (ii) such removal or addition, other than in connection with any merger or other combination between Commtron Corp. and Ingram Entertainment Inc., shall not be effective unless each Rating Agency first shall have confirmed in writing that such removal or addition will not result in such Rating Agency reducing or withdrawing its rating on any outstanding Series or on the

Commercial Paper; provided, further, however, that in the case of (i) and (ii) the Seller shall cause all necessary UCC filings to be made in connection with such removal or addition.

[END OF ARTICLE II]

ARTICLE III

CONSIDERATION AND PAYMENT

Section 3.1 Purchase Price. The Purchase Price for the Receivables and related property conveyed to the Buyer under this Agreement shall be a dollar amount equal to (a) for Receivables transferred on the Initial Closing Date, the aggregate Unpaid Balance of all Receivables as of the Cut-Off Date, multiplied by the excess of one over the then applicable Seller's Discount, and (b) for Receivables transferred on any date thereafter, the aggregate Unpaid Balance of the Receivables so transferred on such date multiplied by the excess of one over the Seller's Discount on such date.

Section 3.2 Payment of Purchase Price. Subject to Section 3.4, the Purchase Price for the Receivables and related property shall be paid on the Initial Closing Date with respect to the Receivables existing on the Cut-Off Date and on each Business Day thereafter on which Receivables are transferred hereunder, by payment in cash in immediately available funds to the extent available and the remainder of the Purchase Price shall be paid by increasing the principal amount of the Revolving Note by notation thereon; provided, however, that the principal amount of the Revolving Note shall not be increased at any time and for so long as the Capital Ratio is less than the Minimum Capital Ratio, in which case such remaining amount shall increase the principal amount of the Subordinated Capital Note.

Section 3.3 Settlement. On each Business Day, the Seller shall deliver to the Buyer a Daily Report showing the aggregate Purchase Price of Receivables generated on the preceding Business Day and to be created on such Business Day and the aggregate repurchase price of Receivables to be repurchased on such Business Day pursuant to Section 6.1.

Section 3.4 Capital Contribution. $3,000,000 of the Receivables (after giving effect to the Seller's Discount) transferred as of the Initial Closing Date are to be conveyed by the Seller to the Buyer as a capital contribution to the Buyer in exchange for 100 shares of common stock of the Buyer, which 100 shares represent all of the outstanding common stock of the Buyer.

Section 3.5 Subordinated Capital Note. On the Initial Closing Date, the Seller shall make a loan to the Buyer in cash, Receivables, or a combination thereof in an initial amount of $172,296,681.05, such loan to be evidenced by the Subordinated Capital Note, substantially in the form attached hereto as Exhibit F. The principal amount of the Subordinated Capital Note shall increase or decrease and payments of principal and interest thereon (including prepayments) shall be made as provided therein.

[END OF ARTICLE III]

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.1 Seller's Representations and Warranties. The Seller represents and warrants to the Buyer as of the Initial Closing Date, and shall be deemed to represent and warrant as of the date of the creation of any Receivable sold to the Buyer hereunder, that:

(a) Organization, Good Standing and Due Qualification. The Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Tennessee and has full corporate power, authority and legal right to execute, deliver and perform its obligations under this Agreement, any Subsidiary Purchase Agreement, and each other document or instrument to be delivered by it hereunder, and, in all material respects, to own its property and conduct its business as such properties are presently owned and as such business is presently conducted. Each Designated Subsidiary is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full corporate power, authority and legal right to execute, deliver and perform its obligations under any Subsidiary Purchase Agreement to which it is a party, to own or lease all of its properties and assets and to carry on its business as it is now being conducted. Each of the Seller and any Designated Subsidiary is duly qualified to do business and is in good standing as a foreign corporation (or is exempt from such requirements), and has obtained all necessary licenses and approvals with respect to the Seller and any Designated Subsidiary, in each other jurisdiction where the failure to obtain such license or approval would, if not remedied, render any Contract or any Receivable unenforceable by the Seller or any Designated Subsidiary (as the case may be) or the Buyer or would, if not remedied, have a material adverse effect on such Contract or Receivable or on the Buyer.

(b) Authorization; Valid Agreement. The execution, delivery and performance of this Agreement, each Subsidiary Purchase Agreement, and each other document or instrument to be delivered by the Seller hereunder (collectively, the "Conveyance Papers"), and the consummation of the transactions provided in the Conveyance Papers have been duly authorized by all the necessary corporate action on the part of the Seller, and the Conveyance Papers constitute legal, valid and binding obligations of the Seller, enforceable against it in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other

similar laws now or hereinafter in effect, affecting the enforcement of creditors rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a proceeding at law or in equity).

(c) No Conflicts. The execution, delivery and performance by the Seller of this Agreement and the other Conveyance Papers do not and will not (a) contravene its charter or By-Laws, (b) violate any provision of, or require any filing (except for the filings under the UCC required by this Agreement, each of which has been duly made and is in full force and effect), registration, consent or approval under, any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to the Seller, except for such filings, registrations, consents or approvals as have already been obtained and are in full force and effect, (c) result in a breach of or constitute a default or require any consent under any indenture or loan or credit agreement or any other agreement, lease or instrument to which the Seller is a party or by which it or its properties may be bound or affected, except those as to which a consent or waiver has been obtained and is in full force and effect and an executed copy of which has been delivered to the Buyer, or (d) result in, or require, the creation or imposition of any lien upon or with respect to any of the properties now owned or hereafter acquired by the Seller other than as specifically contemplated by this Agreement.

(d) No Proceedings. There are no proceedings or investigations pending or, to the best knowledge of the Seller, threatened against the Seller or any Designated Subsidiary, before any court, regulatory body, administrative agency, or other tribunal or governmental instrumentality (i) asserting the invalidity of this Agreement or the other Conveyance Papers, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or the other Conveyance Papers, (iii) seeking any determination or ruling that, in the reasonable judgment of the Seller, would materially and adversely affect the performance by the Seller of its obligations under this Agreement or any other Conveyance Papers, or (iv) seeking any determination or ruling that would materially and adversely affect the validity or enforceability of this Agreement or any other Conveyance Papers or the rights of the Buyer hereunder.

(e) All Consents Required. All approvals, authorizations, consents, orders or other actions of any Person or of any Governmental Authority required in connection with the execution and delivery by the Seller of this Agreement or any other Conveyance Papers, the performance by the Seller of the transactions contemplated by this Agreement or any other Conveyance Papers and the fulfillment by the Seller of the terms hereof and thereof, have been obtained and are in full force and effect.

(f) Taxes. The Seller has filed all material tax returns (federal, state and local) which it reasonably believes are required to be filed and has paid or made adequate provision for the payment of all taxes, assessments and other governmental charges due from the Seller or is contesting any such tax, assessment or other governmental charge in good faith through appropriate proceedings. The Seller knows of no basis for any material additional tax assessment for any fiscal year for which adequate reserves have not been established.

(g) Place of Business. The principal place of business of the Seller if it has only one place of business or its chief executive office (as that term is used in the UCC) if it has more than one place of business is as set forth on Schedule 1 hereto and the offices where the Seller keeps its records concerning the Receivables and related Contracts are as set forth on Schedule 1 hereto. Such offices shall not be changed without 10 days' prior written notice to the Buyer.

(h) Financial Condition. Since September 30, 1992 there has been no material adverse change in the ability of the Seller to service and collect the Receivables and the Related Security. As of the Initial Closing Date, there has been no material adverse change in the financial condition of the Seller and its Subsidiaries, taken as a whole, since September 30, 1992.

(i) Use of Proceeds. No proceeds of the sale of any Receivable hereunder received by the Seller will be used by the Seller to acquire any security in a transaction that is subject to Sections 13 and 14 of the Securities Exchange Act of 1934, as amended, or to purchase or carry any margin security in violation of applicable laws and regulations.

(j) Lock-Box Banks and Accounts. The Lock-Box Banks are the only institutions holding any lock-box accounts for the receipt of payments from Obligors in respect of Receivables, and all Obligors under all Receivables have been instructed to make payments only to banks which are Lock-Box Banks and such instructions are in full force and effect and all Obligors, and only such Obligors, have been instructed to make payments only to Lock-Box Accounts and such instructions are in full force and effect.

(k) Not an Investment Company. Each of the Seller and any Designated Subsidiary is either not an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or is exempt from all provisions of such Act.

(l) ERISA. No Plan of the Seller or any of its ERISA Affiliates has any "accumulated funding deficiency" (within the meaning of Section 302 of ERISA or Section 412 of the code), whether or not waived. The Seller and each ERISA Affiliate of the Seller has timely made all contributions required to be made by it to any Plan and Multiemployer Plan of the Seller or any of its ERISA Affiliates, and no event requiring notice to the PBGC under Section 302(f) of ERISA has occurred and is continuing or could reasonably be expected to occur with respect to any such Plan, in each case

that could reasonably be expected to result, directly or indirectly, in any lien being imposed on the property of the Seller or the payment of any material amount to avoid such Lien. No Plan Event with respect to the Seller or any of its ERISA Affiliates has occurred or could reasonably be expected to occur that could reasonably be expected to result, directly or indirectly, in any lien being imposed on the property of the Seller or the payment of any material amount to avoid such lien.

The representations and warranties set forth in this Section 4.1 shall survive the sale of the Receivables to the Buyer. Upon discovery by the Seller or the Buyer of a material breach of any of the foregoing representations and warranties, the party discovering such breach shall give prompt written notice thereof to the other and to the Rating Agencies.

Section 4.2 Seller's Representations and Warranties Regarding Receivables.

(a) Valid Sale, etc. The Seller represents and warrants to the Buyer as of the Initial Closing Date with respect to the Receivables outstanding on the Cut-Off Date and shall be deemed to represent and warrant as of the date of the creation and transfer to the Buyer hereunder of any Receivables with respect to such Receivables that:

(i) the Seller is not insolvent;

(ii) the Seller is the legal and beneficial owner of all right, title and interest in and to each such Receivable, and each such Receivable has been or will be transferred to the Buyer free and clear of any Lien;

(iii) all consents, licenses, approvals or authorizations of or registrations or declarations with any Governmental Authority or Person required to be obtained, effected or given by the Seller or any Designated Subsidiary in connection with the transfer of such Receivables and other related property with respect thereto transferred hereunder to the Buyer have been duly obtained, effected or given and are in full force and effect;

(iv) the Seller has clearly and unambiguously marked all its computer records and all microfiche storage files regarding such Receivables and other related property with respect thereto transferred hereunder as the property of the Buyer. This Agreement constitutes a valid sale, transfer and assignment to the Buyer of all right, title and interest of the Seller in the Receivables now existing and hereafter created and in the Related Security and Collections with respect thereto, all proceeds (as defined in the UCC as in effect in the State of New York) of each Receivable free and clear of any Adverse Claim or interest of any Person. Upon the filing of any financing statements described in Section 7.1(d) and, in the case of the Receivables hereafter created or transferred to the Buyer and the proceeds thereof, upon the creation or transfer thereof, the Buyer shall have a first priority perfected security interest in such property; provided, however, that the Seller makes no representation or warranty with respect to the effect of Section 9-306(4) of the UCC on the rights of the Buyer to proceeds held by the Seller at the time insolvency proceedings are instituted by or against the seller of the Receivables to which the proceeds relate;

(v) as of the close of business on February 10, 1993, the aggregate Unpaid Balance for all Receivables was $499,869,877.08; as of the close of business on February 10, 1993, the aggregate Unpaid Balance for all Eligible Receivables was $472,970,158.42;

(vi) each such Receivable and Related Security and Collections with respect thereto has been or will be transferred to the Buyer free and clear of any Adverse Claim of any Person;

(vii) each account receivable conveyed pursuant to Section 2.01(a) hereof is on the date of creation of such account receivable a Receivable, and each Receivable classified as an "Eligible Receivable" by the Seller in any document or report delivered hereunder will satisfy the requirements of eligibility contained in the definition of Eligible Receivable at such time;

(viii) each Receivable is or will be at the time of purchase an account receivable arising out of the Seller's or any Designated Subsidiary's performance in accordance with the terms of the Contract giving rise to such Receivable. The Seller has no knowledge of any fact which should have led it to expect at the time of the initial creation of an interest in any Receivable hereunder that such Receivable would not be paid in full when due except with respect to any sales and marketing discount then available to Obligors; and

(ix) with respect to each Receivable purchased by the Seller from a Designated Subsidiary, the related Subsidiary Purchase Agreement is in full force and effect and such Receivable was purchased in accordance with the terms thereof.

(b) Notice of Breach. The representations and warranties set forth in this Section 4.2 shall survive the transfer and assignment of the Receivables and the Related Security and Collections with respect thereto to the Buyer. Upon discovery by the Seller or the Buyer of a breach of any of the representations and warranties set forth in this Section 4.2, the party discovering such breach shall give prompt written notice thereof to the other.

Section 4.3 Representations and Warranties of the Buyer. As of the date hereof and as of the Initial Closing Date, the Buyer hereby represents and warrants to, and agrees with, the Seller and shall be deemed to represent and warrant as of the date of the creation of any Receivable sold to the Buyer hereunder that:

(a) Organization and Good Standinq. The Buyer is a corporation duly organized and validly existing in good standing under the laws of the State of Delaware and has full corporate power, authority, and right to own its properties and to conduct its business as such properties are currently owned and such business is currently conducted, and to execute, deliver, and perform its obligations under the Conveyance Papers.

(b) Due Qualification. The Buyer is not required to qualify, or to register, as a foreign corporation in any state in order to conduct its business, except in such states in which it has qualified or registered, and has obtained all necessary licenses and approvals with respect to the Buyer required under federal and Delaware law.

(c) Due Authorization. The execution and delivery of the Conveyance Papers and the consummation of the transactions provided for in the Conveyance Papers have been duly authorized by the Buyer by all necessary corporate action on the part of the Buyer.

(d) No Conflict. The execution and delivery of the Conveyance Papers, the performance of the transactions contemplated by the Conveyance Papers and the fulfillment of the terms of the Conveyance Papers will not conflict with, result in any breach of any of the material terms and provisions of, or constitute (with or without notice or lapse of time or both) a material default under, any indenture, contract, agreement, mortgage, deed of trust, or other instrument to which the Buyer is a party or by which it or any of its properties are bound.

(e) No Violation. The execution and delivery of the Conveyance Papers, the performance of the transactions contemplated by the Conveyance Papers, and the fulfillment of the terms of the Conveyance Papers will not conflict with or violate any Requirements of Law applicable to the Buyer.

(f) No Proceedings. There are no proceedings or investigations pending or, to the best knowledge of the Buyer, threatened against the Buyer, before any Governmental Authority (i) asserting the invalidity of the Conveyance Papers, (ii) seeking to prevent the consummation of any of the transactions contemplated by the Conveyance Papers, (iii) seeking any determination or ruling that, in the reasonable judgment of the Buyer, would materially and adversely affect the performance by the Buyer of its obligations under the Conveyance Papers, or (iv) seeking any determination or ruling that would materially and adversely affect the validity or enforceability of the Conveyance Papers to which the Buyer is a party.

(g) All Consents Required. All approvals, authorizations, licenses, consents, orders, or other actions of any Person or of any Governmental Authority required in connection with the execution and delivery of the Conveyance Papers, the performance of the transactions contemplated by the Conveyance Papers, and the fulfillment of the terms of the Conveyance Papers have been obtained.

The representations and warranties set forth in this Article IV shall survive the conveyance of the Receivables to the Buyer, and termination of the rights and obligations of the Buyer and the Seller under this Agreement. Upon discovery by the Buyer or the Seller of a breach of any of the foregoing representations and warranties, the party discovering such breach shall give prompt written notice to the other.

[END OF ARTICLE IV]

ARTICLE V

COVENANTS OF SELLER AND BUYER

Section 5.1 Seller Covenants. The Seller hereby covenants and agrees with the Buyer as follows:

During the term of this Agreement, and until all Receivables sold to the Buyer shall have been paid in full or written-off, and all amounts owed by the Seller pursuant to this Agreement have been paid, unless the Buyer otherwise consents, in writing, the Seller covenants and agrees as follows:

(a) Compliance with Laws, etc. The Seller shall, and shall cause each Designated Subsidiary to, duly satisfy all obligations on their part to be fullfilled under or in connection with the Receivables, will, and will cause each Designated Subsidiary to, maintain in effect all qualifications required under Requirements of Law in order to properly convey the Receivables and the related property to be conveyed hereunder and will, and will cause each Designated Subsidiary to, comply in all material respects with all Requirements of Law in connection with creating the Receivables the failure to comply with which would have a material adverse effect on the Buyer or its interest in the Receivables.

(b) Preservation of Corporate Existence. The Seller and each Designated Subsidiary (i) shall preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation, and (ii) shall qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification would, if not remedied, materially adversely affect the interests of the Buyer or its interests in the Receivables, or the ability of the Seller to perform its obligations hereunder in the case of (ii) and where such failure shall remain unremedied for a period of 30 days or such failure has a material adverse effect on the interests of the Buyer or its interests in the Receivables or on the ability of the Seller to perform its obligations hereunder.

(c) Audits. At any time and from time to time during the Seller's regular business hours, on reasonable prior notice and for a purpose reasonably related to this Agreement, the Seller shall, in response to any reasonable request of the Buyer, permit the Buyer, or its agents or representatives, at the cost and expense of the Seller, (a) to examine and make copies of and abstracts from all books, records and documents (including, without limitation, computer tapes and disks) in the possession or under the control of the Seller relating to the Receivables, the Related Security and the related Contracts and (b) to visit the offices and properties of the Seller for the purpose of examining such materials and to discuss matters relating to the Receivables or the Seller's performance hereunder with any of the officers or employees of the Seller having knowledge thereof or the Seller's independent accountants.

(d) Keeping of Records and Books of Account. The Seller shall maintain and implement administrative and operating procedures (including, without limitation, the ability to recreate records evidencing the Receivables and the related property with respect thereto conveyed hereunder in the event of the destruction of the originals thereof), and keep and maintain all documents, books, microfiche, computer records and other information reasonably necessary or advisable for the collection of all the Receivables and such related property. Such books, microfiche and computer records shall reflect all facts giving rise to the Receivables, all payments and credits with respect thereto, and the computer records shall be clearly marked to show the interests of the Buyer in the Receivables and such related property.

(e) Performance and Compliance with Receivables and Contracts. At its expense the Seller shall, and shall cause each Designated Subsidiary to, timely and fully perform and comply with all material provisions, covenants and other promises required to be observed by them under the Contracts related to the Receivables.

(f) Continuous Perfection. The Seller shall not and shall not permit any Designated Subsidiary to change its name, identity or structure in any manner which might make any financing or continuation statement filed hereunder or under any Subsidiary Purchase Agreement misleading within the meaning of Section 9-402(7) of the UCC (or any other then applicable provision of the UCC) unless the Seller shall have given the Buyer at least 90 days' prior written notice thereof (or such shorter period as may be acceptable to the Buyer, including with respect to any merger or other combination between Commtron Corp. and Ingram Entertainment Inc.) and shall have taken all action 60 days prior to making such change (or made arrangements to take such action substantially simultaneously with such change if it is impossible to take such action in advance) necessary or advisable in the opinion of the Buyer or its Permitted Assignees to amend such financing statement or continuation statement so that it is not misleading. The Seller shall not and shall not permit any Designated Subsidiary to change its chief executive office or change the location of its principal records concerning the Receivables, the Related Security and the Collections from the locations specified in Section 4.1(h) unless it has given the Buyer at least 60 days' prior written notice of its intention to do so (or such shorter period as may be acceptable to the Buyer, including with respect to any merger or other combination between Commtron Corp. and Ingram Entertainment Inc.) and has taken such action as is necessary or advisable to cause the interest of the Buyer in the Receivables, the Related Security and the Collections to continue to be perfected with the priority required by this Agreement. The Seller will at all times maintain its principal executive office and any other office at which it maintains records relating to the Receivables and the Related Security within the United States of America.

(g) Credit and Collection Policy and Extension or Amendment of Receivables. (i) The Seller shall not, and shall not permit any Designated Subsidiary to, extend, amend or otherwise modify the terms of any Receivable, or amend, modify or waive any term or condition of any Contract related thereto in any manner which would have a material adverse effect on the interests of the Buyer, (ii) the Seller shall, and shall cause each Designated Subsidiary to, comply in all material respects with the Credit and Collection Policy in regard to each Receivable and the related Contract, and (iii) the Seller shall not, and shall not permit any Designated Subsidiary to, make any change in the Credit and Collection Policy that could reasonably be expected to have a material adverse effect on the interests of the Buyer or its interests in the Receivables, or the ability of the Seller to perform its obligations under this Agreement, including, but not limited to, extending the due dates, or impairing the collectibility of the Receivables, without the prior written consent of the Buyer (which consent shall not be unreasonably withheld) and without the prior written confirmation from each Rating Agency that such change will not result in such Rating Agency reducing or withdrawing its rating on any outstanding Series or the Commercial Paper; provided, however, that if no Event of Termination shall have occurred and be continuing, the Seller may, in accordance with the Credit and Collection Policy (i) extend the maturity or adjust the Unpaid Balance of any Receivable as the Seller may determine to be appropriate to maximize Collections thereof and (ii) adjust the Unpaid Balance of any Receivable to reflect Credits.

(h) Reports. Subsidiary Purchase Agreement. The Seller shall furnish to the Buyer promptly after the replacement or any material modification of any computer, automation or other operating systems (in respect of hardware or software) used to make any calculations or reports hereunder, notification of any such replacement or modification. The Seller agrees that it will not amend, modify or waive any provision of any Subsidiary Purchase Agreement in any manner which would have a material adverse effect on the interests of the Buyer or its interests in the Receivables without the prior written consent of the Buyer and without the

prior written confirmation from each Rating Agency that such amendment, modification or waiver will not result in such Rating Agency reducing or withdrawing its rating on any outstanding Series or the Commercial Paper.

(i) Certain Documentation. The Seller shall hold in trust for the account of the Buyer (to the extent of its interest therein) any document evidencing or securing a Receivable and the related Contract, other than instruments (as such term is used in the UCC), if any, that shall have been delivered to the Buyer hereunder. Such holding in trust by the Seller shall be deemed to be the holding thereof by the Buyer for purposes of perfecting the Buyer's rights therein as provided in the UCC. The Seller shall, upon the Buyer's request, deliver to the Buyer any document held by the Seller in trust hereunder.

(j) Assessments. The Seller will promptly pay and discharge all taxes, assessments, levies and other governmental charges imposed on it which may materially and adversely affect any of the Receivables or the Buyer's rights with respect thereto.

(k) Change in Lock-Box Banks or Instructions. The Seller may add or terminate any bank as a Lock-Box Bank from those listed in Exhibit 8 hereto or, make any change in the Lock-Box Agreements or in its existing instructions to Obligors regarding payments to be made to any Lock-Box Bank (so long as such Obligors remain instructed to make payments on the Receivables to a Lock-Box Bank), but in each case only upon written notice from the Seller to the Buyer; provided that any bank (including their successors), added as a Lock-Box Bank shall have short term debt ratings of A-1 by SP and, if rated by Fitch, F-1 by Fitch, at the time it becomes a Lock-Box Bank or the addition of such bank as a Lock-Box Bank shall have been consented to by the Buyer. The Seller shall give notice to the Buyer of the name and address of each additional Lock-Box Bank. In the event that the Seller or the Buyer enters into a Lock-Box Agreement with a Lock-Box Bank with respect to which the Seller had not entered into a Lock-Box Agreement at the Initial Closing Date, the Seller shall deliver to the Buyer a copy of the executed Lock-Box Agreement prior to instructing any Obligors to make payment to such Lock-Box Bank. If the Seller terminates any Bank as a Lock-Box Bank, the Seller shall make arrangements to insure that all payments which may be forwarded to such terminated Lock-Box Bank are promptly deposited with another Lock-Box Bank or into the Collection Account.

(l) Further Action. The Seller shall, and shall cause each Designated Subsidiary to, make, execute or endorse, acknowledge, and file or deliver to the Buyer from time to time such schedules, confirmatory assignments, conveyances, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments and take such further steps relating to the Receivables, the Related Security and the Collections and other rights covered by this Agreement, as the Buyer may request and reasonably require including executing and delivering to the Buyer any instruments, financing or continuation statements or other writings reasonably necessary or desirable to maintain the perfection or priority of its ownership interest in the Receivables, the Related Security and the Collections under the UCC or other applicable law. At any time at the request of the Buyer, the Seller shall, and shall cause each Designated Subsidiary to, from time to time, deliver to, and sign any bills, statements and letters directed to the Obligors on the Receivables or other writings necessary to carry out the terms and provisions of this Agreement and to facilitate the collection of the Receivables.

(m) No Transfer. The Seller shall not, and shall not permit any Designated Subsidiary to, sell, assign, pledge, convey or otherwise transfer any Eligible Receivable or any interest therein except for the transfer of such Eligible Receivable to the Buyer as provided herein (or, in the case of a Designated Subsidiary, to the seller), and shall defend and hold harmless the Buyer from any Adverse Claim in or to any Eligible Receivable except to the extent the Seller is otherwise required to repurchase such Receivable hereunder.

(n) Indemnification. The Seller agrees to indemnify, defend and hold the Buyer harmless from and against any and all loss, liability, damage, judgment, claim, deficiency, or expense (including interest, penalties, reasonable attorneys' fees and amounts paid in settlement) to which the Buyer may become subject insofar as such loss, liability, damage, judgment, claim, deficiency, or expense arises out of or is based upon a breach by the Seller of its representations, warranties and covenants contained herein, or any information certified in any Schedule delivered by the Seller hereunder, being untrue in any respect at any time. The obligations of the Seller under this Section 5.1(n) shall be considered to have been relied upon by the Buyer and shall survive the execution, delivery, performance and termination of this Agreement regardless of any investigation made by the Buyer or on its behalf.

(o) Sale. The Seller agrees to treat this conveyance for all purposes (including, without limitation, tax and financial accounting purposes) as a sale on all relevant books, records, tax returns, financial statements and other applicable documents.

(p) ERISA. The Seller will promptly give the Buyer notice of the following events, as soon as possible and in any event within 30 days after the Seller or any ERISA Affiliate knows or has reason to know thereof: (i) the occurrence or expected occurrence of any Reportable Event with respect to any Plan of the Seller or any ERISA Affiliate, or any withdrawal from, or the termination, Reorganization or Insolvency of any Multiemployer Plan or (ii) the institution of proceedings or the taking of any other action by the PBGC or the Seller or any ERISA Affiliates or any such Multiemployer Plan with respect to the withdrawal from, or the terminating, Reorganization or Insolvency of, any such Plan.

(q) Performance. The Seller agrees that its obligations to make all payments hereunder are absolute and unconditional and are independent of the performance by the Buyer of any of its obligations hereunder or the realization by the Seller of the benefits sought by the transaction contemplated hereby and that the Seller will make all payments hereunder regardless of (i) the validity of the organization of the Buyer, the termination of the existence of the Buyer or the illegality, invalidity or unenforceability of this Agreement, (ii) any defense, claim, set-off, recoupment, abatement or other right, existing or future, which the Seller may have against the Buyer, or (iii) any inaccuracy of any representation, warranty or statement made by or on behalf of Buyer.

(r) Capital Maintenance. The Seller agrees that within 50 days after January 31, April 30, July 31 and October 31 of each year (each a "Quarterly Date"), the Seller shall determine whether the Capital Ratio as of such date equaled or exceeded the Minimum Capital Ratio. If, as of any such date, the Capital Ratio was less than the Minimum Capital Ratio, from and after the date of such determination the Seller shall not increase the principal amount of the Revolving Note until the sum of shareholder's equity and the amount of the Subordinated Capital Note are sufficient such that, had such amounts been in place on such Quarterly Date, the Capital Ratio would at least have equaled the Minimum Capital Ratio on such Quarterly Date.

(s) The Seller shall record and file, at its expense, within 10 days after the Initial Closing Date any financing statement with respect to the Receivables now existing and hereafter created for the transfer of accounts (as defined in Section 9-106 of the UCC) generated by the Seller or any Designated Subsidiary meeting the requirements of applicable state law in such manner and in such jurisdictions as are necessary under the applicable UCC to perfect the sale of the Receivables from the Seller to the Buyer, and shall deliver a filestamped copy of such financing statements or other evidence of such filings (which may, for purposes of this paragraph, consist of telephone confirmations of such filings) to the Buyer.

Section 5.2 Buyer Covenant Regarding Sale Treatment. The Buyer agrees to treat this conveyance for all purposes (including, without limitation, tax and financial accounting purposes) as a sale on all relevant books, records, tax returns, financial statements and other applicable documents.

[END OF ARTICLE V]

ARTICLE VI

REPURCHASE OBLIGATION

Section 6.1 Mandatory Repurchase.

(a) Transfer upon Breach of Warranty. In the event of a breach with respect to a Receivable of any of the representations and warranties set forth in Section 4.2(a)(ii) through (ix) which cannot be cured by the Business Day following the first day on which the Seller has knowledge thereof, to the extent necessary to maintain the Minimum Transferor Interest of the Buyer under the Pooling and Servicing Agreement each such Receivable (a "Reconveyed Receivable") shall be reconveyed (without further action) from the Buyer to the Seller and the Seller shall pay, in the manner set forth below, to the Buyer an amount equal to the Transfer Deposit Amount. Upon each reconveyance of a Reconveyed Receivable from the Buyer, the Buyer shall automatically and without further action be deemed to transfer, assign, set-over and otherwise convey to or upon the order of the Seller, without recourse, representation or warranty, all the right, title and interest of the Buyer in and to such Reconveyed Receivable, all Related Security and Collections with respect thereto and all proceeds thereof. The Buyer shall execute such documents and instruments of transfer or assignment and take such other actions as shall reasonably be requested by the Seller to effect the conveyance of such Reconveyed Receivable pursuant to this Section. Except to the extent provided in Section 5.1(n), the obligation of the Seller set forth in this Section, and the reconveyance of such Receivable from the Buyer shall constitute the sole remedy respecting any breach of the representations and warranties set forth in the above-referenced Section with respect to such Receivable available to the Buyer. The Seller shall pay for any Reconveyed Receivable under this Section 6.1(a) pursuant to a reduction of the principal amount of the Revolving Note unless (i) the principal amount of the Revolving Note is zero or (ii) the Transferor is required pursuant to Section 2.04(c) of the Pooling and Servicing Agreement to make a deposit to the Collection Account due to a breach of such representation and warranty, in which case the Seller shall pay for each Reconveyed Receivable in cash and, in the case of clause (ii) above, in an amount equal to the amount required to be deposited in the Collection Account pursuant to Section 2.04(c) of the Pooling and Servicing Agreement (such payment to be made on the Business Day following the first day the Seller has knowledge of the breach giving rise to the Reconveyed Receivable).

(b) Reassignment of the Sold Assets. In the event of a breach in any material respect of any of the representations and warranties set forth in Section 4.1(a), 4.1(b) or 4.2(a)(i), the Buyer by notice given in writing to the Seller may direct the Seller to accept reassignment of the Receivables at the amount specified below within 30 days after receipt by the Seller of such notice, or within such longer period as may be specified in such notice not to exceed 120 days, and the Seller shall be obligated to accept reassignment of the Receivables within such applicable period on the terms and conditions set forth below; provided, however, that no such reassignment shall be required to be made if, at any time during such

applicable period, the Seller delivers to the Buyer an Officer's Certificate stating that the representations and warranties contained in Section 4.1(a), 4.1(b) or 4.2(a)(i) are then true and correct in all material respects as if made on such day. The Seller shall pay to the Buyer on the day of such reassignment an amount equal to the Unpaid Balance of the Receivables. On the day on which such amount has been paid, each Receivable and the Related Security and Collections with respect thereto shall be released to the Seller, and the Buyer shall execute and deliver such instruments of transfer or assignment, in each case without recourse, representation or warranty, as shall be reasonably requested by the Seller to vest in the Seller, or its designee or assignee, all right, title and interest of the Buyer in and to each Receivable and the Related Security and Collections with respect thereto. The obligation of the Seller to accept reassignment of each Receivable and the Related Security and Collections with respect thereto pursuant to this Section shall constitute the sole remedy available to the Buyer for a breach of the representations and warranties contained in Sections 4.1(a), 4.1(b) or 4.2(a)(i).

Section 6.2 [Reserved].

Section 6.3 Conveyance of Repurchased Receivables. At any time requested by the Seller, the Buyer shall execute and deliver to the Seller a reconveyance substantially in such form and upon such terms as shall be acceptable to the Seller, pursuant to which the Buyer evidences the conveyance to the Seller of all of the Buyer's right, title, and interest in any Receivables reconveyed to the Seller pursuant to Section 6.1. The Buyer shall (and shall cause the Trustee to) execute such other documents or instruments of conveyance or take such other actions as the Seller may reasonably require to effect any repurchase of Receivables pursuant to this Article VI.

Section 6.4 Credits. If the Unpaid Balance of any Receivable is adjusted for any Credit, the principal amount of the Revolving Note shall, on the Business Day following such adjustment, be reduced by the amount of such adjustment. In the event and to the extent that (i) such reduction would cause the principal amount of the Revolving Note to be less than zero, (ii) such reduction would not be permitted under any Requirement of Law, or (iii) the Transferor is required pursuant to Section 3.09 of the Pooling and Servicing Agreement to deposit funds in the Transferor Account, the Seller shall pay to the Buyer, in immediately available funds by the close of business on the Business Day following the Business Day on which such adjustment occurs, an amount equal to the amount by which such reduction would cause the principal amount of the Revolving Note to be less than zero in the case of clause (i); the amount by which the principal amount of the Revolving Note would have been reduced but for such Requirement of Law in the case of clause (ii); or, in the case of the event described in clause (iii), an amount equal to the amount required to be deposited into the Transferor Account pursuant to Section 3.09 of the Pooling and Servicing Agreement.

[END OF ARTICLE VI]

ARTICLE VII

CONDITIONS PRECEDENT

Section 7.1 Conditions to the Buyer's Obligations Regarding Receivables. The obligations of the Buyer to accept the transfer of the Receivables on any Business Day shall be subject to the satisfaction of the following conditions:

(a) All representations and warranties of the Seller contained in this Agreement shall be true and correct on the Initial Closing Date and on the day of creation of any Receivable with the same effect as though such representations and warranties had been made on such date;

(b) All information concerning the Receivables provided to the Buyer shall be true and correct in all material respects as of the Cut-Off Date, in the case of Receivables transferred on the Initial Closing Date, or the Date of Processing, in the case of Receivables created after the Initial Closing Date;

(c) At the Initial Closing Date, the Seller shall have substantially performed all other obligations required to be performed by the provisions of this Agreement;

(d) With respect to Receivables transferred on or after the tenth day following the Initial Closing Date, the Seller shall have filed the financing statement required to be filed pursuant to Section 5.1(s); and

(e) All corporate and legal proceedings and all instruments in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to the Buyer, and the Buyer shall have received from the Seller copies of all documents (including, without limitation, records of corporate proceedings) relevant to the transactions herein contemplated as the Buyer may reasonably have requested.

Section 7.2 Conditions Precedent to the Seller's Obligations. The obligations of the Seller to sell Receivables on any Business Day shall be subject to the satisfaction of the following conditions:

(a) All representations and warranties of the Buyer contained in this Agreement shall be true and correct with the same effect as though such representations and warranties had been made on such date;

(b) Payment or provision for payment of the Purchase Price in accordance

with the provisions of Section 3.3 hereof shall have been made; and

(c) All corporate and legal proceedings and all instruments in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to the Seller, and the Seller shall have received from the Buyer copies of all documents (including, without limitation, records of corporate proceedings) relevant to the transactions herein contemplated as the Seller may reasonably have requested.

[END OF ARTICLE VII]

ARTICLE VIII

TERM AND TERMINATION

Section 8.1 Term. This Agreement shall commence as of the date of execution and delivery hereof and shall continue in full force and effect until the earlier of: (a) a date which shall be seven years from the Initial Closing Date, subject to automatic extensions of one year periods unless otherwise agreed to in writing by the Seller and the Buyer; or (b) upon the occurrence of any of the following events: the Buyer or the Seller shall (i) become insolvent, (ii) fail to pay its debts generally as they become due, (iii) voluntarily seek, consent to, or acquiesce in the benefit or benefits of any Debtor Relief Law, (iv) become a party to (or be made the subject of) any proceeding provided for by any Debtor Relief Law, other than as a creditor or claimant, and, in the event such proceeding is involuntary, the petition instituting same is not dismissed within 60 days after its filing, provided, however, that the Buyer shall have no duty to continue to purchase Receivables from and after the filing of an involuntary petition but prior to dismissal, or (v) become unable for any reason to convey or reconvey Receivables in accordance with the provisions of this Agreement (any such date set forth in clause (a) or (b) hereof being a "Termination Date"); provided, however, that the termination of this Agreement pursuant to this subsection 8.1(b) hereof shall not discharge any Person from any obligations incurred prior to such termination, including, without limitation, any obligations to repurchase Receivables sold prior to such termination pursuant to Section 6.1 hereof.

Section 8.2 Effect of Termination. No termination or rejection or failure to assume the executory obligations of this Agreement in the bankruptcy of the Seller or the Buyer shall be deemed to impair or affect the obligations pertaining to any executed sale or executed obligations, including, without limitation, pretermination breaches of representations and warranties by the Seller or the Buyer. Without limiting the foregoing, prior to termination, the failure of the Seller to deliver computer records of Receivables or Settlement Statements shall not render such transfer or obligation executory, nor shall the continued duties of the parties pursuant to Section 5 or Section 9.1 of this Agreement render an executed sale executory.

[END OF ARTICLE VIII]

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 9.1 Amendment. This Agreement and any other Conveyance Papers and the rights and obligations of the parties hereunder may not be changed orally, but only by an instrument in writing signed by the Buyer and the Seller. This Agreement and any other Conveyance Papers may be amended from time to time by the Buyer and the Seller to correct or supplement any provisions herein which may be inconsistent with any other provisions herein or in any other Conveyance Papers or to add any other provisions with respect to matters or questions arising under this Agreement or any other Conveyance Papers which shall not be inconsistent with the provisions of this Agreement or any other Conveyance Papers. The Seller shall furnish written notification of the substance of any such amendment to each Rating Agency; provided, however, that neither this Agreement nor any other Conveyance Paper may be amended if such amendment would have a material adverse effect on the interests of the Buyer or its interests in the Receivables, without the prior written confirmation from each Rating Agency that such amendment, modification or waiver will not result in such Rating Agency reducing or withdrawing its rating on any outstanding Series or the Commercial Paper. Any Supplemental Conveyance or Reconveyance executed in accordance with the provisions hereof shall not be considered amendments to this Agreement.

Section 9.2 Governing Law. THIS AGREEMENT AND THE OTHER CONVEYANCE PAPERS SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF THE NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 9.3 Notices. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by registered mail, return receipt requested, to:

(a) in the case of the Buyer, to:

Ingram Funding Inc.
1105 North Market Street
Wilmington, Delaware 19801
Attention: President
Telephone: 302-427-7650
Telecopy: 302-427-7663

(b) in the case of the Seller, to:

Ingram Industries Inc.
One Belle Meade Place
4400 Harding Road
Nashville, Tennessee 37205
Attention: Treasurer
Telephone: 615-298-8200
Telecopy: 615-298-8242

or, as to each party, at such other address as shall be designated by such party in a written notice to each other party.

Section 9.4 Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Agreement or any other Conveyance Paper shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions, or terms shall be deemed severable from the remaining covenants, agreements, provisions, or terms of this Agreement or any other Conveyance Paper and shall in no way affect the validity or enforceability of the other provisions of this Agreement or of any other Conveyance Paper.

Section 9.5 Assignment. This Agreement and all other Conveyance Papers may not be assigned by the parties hereto except by the Buyer in connection with a transfer of substantially all of the Receivables to the Trustee, or to another person approved in writing by the Seller (each, a "Permitted Assignee").

Section 9.6 Further Assurances. The Buyer and the Seller agree to do and perform, from time to time, any and all acts and to execute any and all further instruments required or reasonably requested by the other party more fully to effect the purposes of this Agreement and the other Conveyance Papers, including, without limitation, the execution of any financing statements or continuation statements or equivalent documents relating to the Receivables for filing under the provisions of the UCC or other laws of any applicable jurisdiction.

Section 9.7 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Buyer or the Seller, 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 privilege provided by law.

Section 9.8 Counterparts. This Agreement and all other Conveyance Papers may be executed in two or more counterparts including telefax transmission thereof (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

Section 9.9 Binding Effect; Third-Partv Beneficiaries. This Agreement and the other Conveyance Papers will inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. Any Permitted Assignee shall be considered a third-party beneficiary of this Agreement.

Section 9.10 Merger and Integration. Except as specifically stated otherwise herein, this Agreement and the other Conveyance Papers set forth the entire understanding of the parties relating to the subject matter hereof, and all prior understandings, written or oral, are superseded by this Agreement and the other Conveyance Papers. This Agreement and the other Conveyance Papers may not be modified, amended, waived or supplemented except as provided herein.

Section 9.11 Headings. The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

Section 9.12 Schedules and Exhibits. The schedules and exhibits attached hereto and referred to herein shall constitute a part of this Agreement and are incorporated into this Agreement for all purposes.

Section 9.13 No Bankruptcy Petition Against the Buyer. The Seller hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of the Issuer Amount and all Invested Amounts, 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 similar proceeding under the laws of the United States or any state of the United States.

IN WITNESS WHEREOF, the Buyer and the Seller each have caused this Agreement to be duly executed by their respective officers as of the day and year first above written.

INGRAM INDUSTRIES INC.,
as Seller

By: /s/
_____
Title:

INGRAM FUNDING INC.,
as Buyer

By: /s/
_____
Title:

EXHIBIT A

REVOLVING NOTE

This Revolving Note, dated as of February 12, 1993, by Ingram Funding Inc., a Delaware corporation (the "Borrower") to Ingram Industries Inc., a Tennessee corporation (the "Lender").

The Lender and the Borrower have entered into an Asset Purchase and Sale Agreement (the "Purchase Agreement") dated as of February 12, 1993 providing for the purchase from time to time by the Borrower of certain trade accounts receivable (the "Receivables"). Except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in Annex X to the Purchase Agreement.

1. The Note. For value received, the Borrower hereby promises to pay to the order of the Lender at its offices at One Belle Meade Place, 4400 Harding Road, Nashville, Tennessee 37205, the principal amount of $192,929,750.61 (the "Initial Loan") or so much of the aggregate principal amount of all Loans (as hereinafter defined) made by the Lender to the Borrower under the terms of this Note as remains unpaid, as shown in the schedule attached hereto and any continuations thereof, on the day which is one year and a day after the payment in full of the Issuer Amount and all Invested Amounts (the "Maturity Date"). The Borrower shall pay interest on the unpaid principal amount of the Loans as provided herein.

2. The Loans. (a) From time to time between the date of this Note and the Maturity Date, and subject to the restrictions on lending under this Note contained in the Purchase Agreement, the Lender may lend to the Borrower additional sums (each a "Loan" and, together with the Initial Loan, the "Loans"), as provided herein.

(b) The obligation of the Borrower to repay the aggregate unpaid principal amount of the Loans outstanding shall be evidenced by this Note and the schedule attached hereto. The Lender is hereby authorized to endorse on the schedule or on a continuation of such schedule, appropriate notations regarding each Loan evidenced by this Note; provided, however, that the failure to make, or error in making, any notation shall not limit or otherwise affect the obligation of the Borrower hereunder.

(c) When the Borrower requests a Loan in connection with the acquisition of any Receivables, the Borrower shall notify the Lender by telephone specifying the amount and the date on which such Loan is requested. Unless otherwise specified, the maturity of each such Loan shall be the Maturity Date.

(d) The Seller agrees that within 50 days after January 31, April 30, July 31 and October 31 of each year (each a "Quarterly Date"), the Seller shall determine whether the Capital Ratio as of such date equaled or exceeded the Minimum Capital Ratio. If, as of any such date, the Capital Ratio was less than the Minimum Capital Ratio, from and after the date of such determination the Seller shall not increase the principal amount of this Revolving Note until the sum of shareholder's equity and the amount of the Subordinated Capital Note are sufficient such that, had such amounts been in place on such Quarterly Date, the Capital Ratio would at least have equaled the Minimum Capital Ratio on such Quarterly Date.

3. Interest. Each Loan shall bear interest at the intercompany rate paid by the Lender on funds it holds for the account of its subsidiaries, or such other rate as the Borrower and Lender may agree upon, from time to time. Interest shall be due and payable quarterly on the last day of January, April, July and October of each year (each, an "Interest Payment Date")' commencing on April 30, 1993. If the Note is prepaid as permitted from time to time herein, in whole or in part, accrued but unpaid interest with respect to the amount so prepaid to but not including the date of prepayment shall become due and payable.

4. Payment. Subject to the limitations on payment set forth in Section 5 hereof, the Lender shall be entitled to and may require the Borrower to, make a payment of the loans, in whole or in part, on any day upon providing one Business Day's written notice to the Borrower.

5. Subordination of Obligations. The Lender irrevocably agrees that the obligations of the Borrower under this Note with respect to the payment of principal and interest are and shall be fully and irrevocably subordinate in right of payment and subject to the prior payment or provision for payment in full of all Senior Indebtedness, that such obligations may only be satisfied to the extent of cash or other assets of the Borrower then available for such purpose after giving effect to all required payments in respect of Senior Indebtedness, and that such obligations shall not constitute a claim against the Borrower at any time that, and for so long as, cash or such other assets available therefor are insufficient. "Senior Indebtedness" means the principal of and interest, including post-default interest, on any indebtedness of or guaranteed by the Borrower, whether outstanding or guaranteed on the date hereof or

thereafter created, incurred, assumed or guaranteed for money borrowed or for the deferred purchase price of property purchased by any person including, for this purpose, all obligations of the Borrower under capitalized leases or purchase money mortgages, and, in each such case, all renewals, extensions and refundings thereof including, without limitation, all obligations of the Borrower arising under or in respect of the Pooling and Servicing Agreement; provided, however, that Senior Indebtedness shall not include any obligation of or guarantee by the Borrower, whether outstanding or guaranteed on the date hereof or thereafter created, incurred, assumed or guaranteed that by agreement, operation of law or by its terms is subordinate in right of payment to this Note, including, but not limited to, the Subordinated Capital Note. In the event of the appointment of a receiver or trustee of the Borrower or in the event of its insolvency, bankruptcy, assignment for the benefit of creditors or reorganization, whether or not pursuant to the bankruptcy laws, or any other marshalling of the assets and liabilities of the Borrower, the Lender shall not be entitled to participate or share, ratably or otherwise, in the distribution of the assets of the Borrower until all claims of all other present and future creditors of the Borrower, whose claims are senior hereto, have been fully satisfied, or provisions have been made therefor.

6. Acceleration Upon Certain Events. The Borrower's obligation to pay the unpaid principal amount hereof shall forthwith mature, together with interest accrued thereon, in the event of any receivership, insolvency, liquidation, bankruptcy, assignment for the benefit of creditors, reorganization whether or not pursuant to bankruptcy laws, or any other marshalling of the assets and liabilities of the Borrower, but payment of the same shall remain subordinate as hereinabove set forth.

7. Effect or Default. Default in any payment hereunder, including the payment of interest, shall not accelerate the maturity hereof except as herein specifically provided, and the obligation to make payments shall remain subordinated as hereinabove set forth.

8. Upon Whom Bindinq. The provisions of this Note shall be binding upon the Lender, its successors and assigns and upon the Borrower.

9. Governing Law. This Note shall be deemed to have been made under, and shall be governed by, the laws of the State of New York in all respects.

10. Cancellation. This Note shall not be subject to cancellation by either party.

11. No Security. The Lender agrees that it is not taking and will not take or assert as security for the payment of this Note any security interest in or lien upon, whether created by contract, statute or otherwise, any property of the Borrower or any property in which the Borrower may have an interest, which is or at any time may be in possession or subject to the control of the Lender. The Lender hereby waives, and further agrees that it will not seek to obtain payment of this Note in whole or in any part by exercising any right of set-off it may assert or possess whether created by contract, statute or otherwise. Any agreement between the Borrower and the Lender (whether in the nature of a general loan and collateral agreement, a security or pledge agreement or otherwise), shall be deemed amended hereby to the extent necessary so as not to be inconsistent with the provisions of this Note.

12. Assignment. This Note shall inure to the benefit of and be binding upon the parties hereto and each of their respective successors and assigns. The Borrower may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Lender.

13. No Bankruptcy Petition Against the Borrower. The Lender (in its capacity as Lender, but in no other capacity), by its acceptance of this Note, hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of the Issuer Amount and all Invested Amounts, it will not institute against or join any other Person in instituting against the Borrower any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States.

IN WITNESS WHEREOF, the undersigned has caused this Note to be executed by its officers or employees thereunto duly authorized and directed by appropriate corporate authority.

INGRAM FUNDING INC.

By: _____
Title: _____

THE TERMS AND CONDITIONS
HEREOF ARE HEREBY
ACKNOWLEDGED AND ACCEPTED:

INGRAM INDUSTRIES INC.

By: _____
Title: _____

EXHIBIT B

FORM OF DAILY REPORT

(See Exhibit E of the Pooling and Servicing Agreement)

EXHIBIT D

LOCK-BOX BANKS
(See Exhibit K of the Pooling & Servicing Agreement)

EXHIBIT E

SUBORDINATED CAPITAL NOTE

This Subordinated Capital Note, dated as of February 12, 1993, by Ingram Funding Inc., a Delaware corporation (the "Borrower") to Ingram Industries Inc., a Tennessee corporation (the "Lender").

The Lender and the Borrower have entered into an Asset Purchase and Sale Agreement (the "Purchase Agreement") dated as of February 12, 1993 providing for the purchase from time to time by the Borrower of certain trade accounts receivable (the "Receivables"). Except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in Annex X to the Purchase Agreement.

1. The Note. For value received, the Borrower hereby promises to pay to the order of the Lender at its offices at One Belle Meade Place, 4400 Harding Road, Nashville, Tennessee 37205, the principal amount of $172,296,681.95 (the "Initial Loan") or so much of the aggregate principal amount of all Loans (as hereinafter defined) made by the Lender to the Borrower under the terms of this Note as remains unpaid, as shown in the schedule attached hereto and any continuations thereof, on the day which is one year and a day after the payment in full of the Issuer Amount, all Invested Amounts and the Revolving Note (the "Maturity Date"). The Borrower shall pay interest on the unpaid principal amount of the Loans as provided herein.

2. The Loans. (a) From time to time between the date of this Note and the Maturity Date the Lender may lend to the Borrower additional sums (each a "Loan" and, together with the Initial Loan, the "Loans"), as provided herein.

(b) The obligation of the Borrower to repay the aggregate unpaid principal amount of the Loans outstanding shall be evidenced by this Note and the schedule attached hereto. The Lender is hereby authorized to endorse on the schedule or on a continuation of such schedule, appropriate notations regarding each Loan evidenced by this Note; provided, however, that the failure to make, or error in making, any notation shall not limit or otherwise affect the obligation of the Borrower hereunder.

(c) When the Borrower requests a Loan, in connection with the acquisition of any Receivables or otherwise, the Borrower shall notify the Lender by telephone specifying the amount and the date on which such Loan is requested. Unless otherwise specified, the maturity of each such Loan shall be the Maturity Date.

3. Interest. Each Loan shall bear interest at the intercompany rate paid by the Lender on funds it holds for the account of its subsidiaries, or such other rate as the Borrower and Lender may agree upon, from time to time. Interest shall be due and payable quarterly on the last day of January, April, July and October of each year (each, an "Interest Payment Date"), commencing on April 30, 1993. If the Note is prepaid as permitted from time to time herein, in part or whole, accrued but unpaid interest with respect to the amount so prepaid to but not including the date of prepayment shall become due and payable.

4. Payment. (a) If the Capital Ratio exceeded the Minimum Capital Ratio as computed with respect to the most recent Interest Payment Date based on the balance sheet of the Borrower as of such Interest Payment Date, which determination shall be made, and shall be effective, no later than 50 days following such Interest Payment Date, the Lender shall be entitled to, and may require the Borrower to make, a payment of the Loans, in whole or in part, on any day upon providing one Business Day's written notice to the Borrower.

(b) Notwithstanding anything to the contrary herein contained, the obligation of the Borrower to pay the principal amount hereof on the Maturity Date or following any determination made with respect to an Interest Payment Date as provided above shall be suspended and the obligation shall not mature for any period of time during which, after giving effect to such payment (together with the payment of any other obligation of the Borrower payable at or prior to the payment hereof), the Borrower does not meet the Minimum Capital Ratio as computed with respect to the most recent Interest Payment Date.

5. Subordination of Obligations. The Lender irrevocably agrees that the obligations of the Borrower under this Note with respect to the payment of principal and interest are and shall be fully and irrevocably subordinate in right of payment and subject to the prior payment or provision for payment in full of all Senior Indebtedness, that such obligations may only be satisfied to the extent of cash or other assets of the Borrower than available for such purpose after giving effect to all required payments in respect of Senior Indebtedness, and that such obligations shall not constitute a claim against the Borrower at any time that, and for so long as, cash or such other assets available therefor are

insufficient. "Senior Indebtedness" means the principal of and interest, including post-default interest, on any indebtedness of or guaranteed by the Borrower, whether outstanding or guaranteed on the date hereof or thereafter created, incurred, assumed or guaranteed for money borrowed or for the deferred purchase price of property purchased by any person including, for this purpose, all obligations of the Borrower under capitalized leases or purchase money mortgages, and, in each such case, all renewals, extensions and refundings thereof, including but not limited to all obligations of the Borrower arising under or in respect of the Pooling and Servicing Agreement and the Revolving Note; provided, however, that Senior Indebtedness shall not include any obligation of or guarantee by the Borrower, whether outstanding or guaranteed on the date hereof or thereafter created, incurred, assumed or guaranteed that by agreement, operation of law or by its terms is subordinate in right of payment to this Note. In the event of the appointment of a receiver or trustee of the Borrower or in the event of its insolvency, bankruptcy, assignment for the benefit of creditors or reorganization, whether or not pursuant to the bankruptcy laws, or any other marshalling of the assets and liabilities of the Borrower, the Lender shall not be entitled to participate or share, ratably or otherwise, in the distribution of the assets of the Borrower until all claims of all other present and future creditors of the Borrower, whose claims are senior hereto, have been fully satisfied, or provisions have been made therefor.

6. Acceleration Upon Certain Events. The Borrower's obligation to pay the unpaid principal amount hereof shall forthwith mature, together with interest accrued thereon, in the event of any receivership, insolvency, liquidation, bankruptcy, assignment for the benefit of creditors, reorganization whether or not pursuant to bankruptcy laws, or any other marshalling of the assets and liabilities of the Borrower, but payment of the same shall remain subordinate as hereinabove set forth.

7. Effect of Default. Default in any payment hereunder, including the payment of interest, shall not accelerate the maturity hereof except as herein specifically provided, and the obligation to make payments shall remain subordinated as hereinabove set forth.

8. Status of Proceeds; Capital. The proceeds of the Loans evidenced hereby shall be dealt with in all respects as capital of the Borrower, shall be subject to the risks of its business, and may be deposited in an account or accounts in the Borrower's name in any bank or trust company.

9. Upon Whom Binding. The provisions of this Note shall be binding upon the Lender, its successors and assigns and upon the Borrower.

10. Governing Law. This Note shall be deemed to have been made under, and shall be governed by, the laws of the State of New York in all respects.

11. Cancellation. This Note shall not be subject to cancellation by either party.

12. No Security. The Lender agrees that it is not taking and will not take or assert as security for the payment of this Note any security interest in or lien upon, whether created by contract, statute or otherwise, any property of the Borrower or any property in which the Borrower may have an interest, which is or at any time may be in possession or subject to the control of the Lender. The Lender hereby waives, and further agrees that it will not seek to obtain payment of this Note in whole or in any part by exercising, any right of set-off it may assert or possess whether created by contract, statute or otherwise. Any agreement between the Borrower and the Lender (whether in the nature of a general loan and collateral agreement, a security or pledge agreement or otherwise), shall be deemed amended hereby to the extent necessary so as not to be inconsistent with the provisions of this Note.

13. Assignment. This Note shall inure to benefit of and be binding upon the parties hereto and each of their respective successors and assigns. The Borrower may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Lender.

14. No Bankruptcy Petition Against the Buyer. The Seller, by its acceptance of this Note, hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of the Issuer Amount, all Invested Amounts and the Revolving Note, 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 similar proceeding under the laws of the United States or any state of the United States.

IN WITNESS WHEREOF, the undersigned has caused this Note to be executed by its officers or employees thereunto duly authorized and directed by appropriate corporate authority.

INGRAM FUNDING INC.

By: _____
Title: _____

THE TERMS AND CONDITIONS
HEREOF ARE HEREBY ACKNOWLEDGED
AND ACCEPTED:

INGRAM INDUSTRIES INC.

By: _____
Title: _____

EXHIBIT 10.25

==========

INGRAM FUNDING INC.,
Transferor,
INGRAM INDUSTRIES INC.,
Servicer

and

CHEMICAL BANK,
Trustee

on behalf of the Certificateholders

==========

INGRAM FUNDING MASTER TRUST

POOLING AND SERVICING AGREEMENT

Dated as of February 10, 1993

==========

TABLE OF CONTENTS

POOLING AND SERVICING AGREEMENT, dated as of February 10, 1993, by and among INGRAM FUNDING INC., a Delaware corporation, as Transferor, INGRAM INDUSTRIES INC., a Tennessee corporation, as Servicer, and CHEMICAL BANK, a New York banking corporation, as Trustee.

This Pooling and Servicing Agreement shall be applicable to the formation

of the Trust and the issuance of the Transferor Certificate and, upon the execution of any Supplement, shall apply also to the issuance of any Series of Certificates or the Variable Funding Certificate issued thereby.

In consideration of the mutual agreements herein contained, each party agrees as follows for the benefit of the other parties, for the benefit of the Certificateholders and for the benefit of any credit enhancer with respect to any Series or the Variable Funding Certificate to the extent provided herein:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Definitions attached hereto as Annex X which is incorporated by reference herein. All other capitalized terms used herein shall have the meanings specified herein.

"Agreement" shall mean this Pooling and Servicing Agreement as it may from time to time be amended, supplemented or otherwise modified in accordance with the terms hereof, including by any Supplement.

Section 1.02 Other Definitional Provisions.

(a) All terms defined in any Supplement or this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

(b) As used herein and in any certificate or other document made or delivered pursuant hereto or thereto, accounting terms not defined in Annex X or otherwise defined herein, and accounting terms partly defined in Annex X or otherwise defined herein, to the extent not defined, shall have the respective meanings given to them under GAAP. To the extent that the definitions of accounting terms herein or in Annex X are inconsistent with the meanings of such terms under GAAP, the definitions contained herein or in Annex X shall control.

(c) The agreements, representations and warranties of Ingram in this Agreement in its capacity as Servicer shall be deemed to be the agreements, representations and warranties of Ingram solely in such capacity.

(d) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement or any Supplement shall refer to such Supplement or this Agreement, as the case may be, as a whole and not to any particular provision of such Supplement or this Agreement, as the case may be; and Section, Schedule and Exhibit references contained in this Agreement or any Supplement are references to Sections, Schedules and Exhibits in or to this Agreement or such Supplement unless otherwise specified.

Section 1.03 Calculations and Payments. All computations of Imputed Yield shall be made on the basis of the actual number of days in each year and the actual number of days elapsed (including the first and excluding the last day) in the period for which such calculations are being made. Unless otherwise specified herein, expressions of a time of day refer to such time in New York, New York. All amounts payable hereunder shall be paid in immediately available funds. Whenever any reference is made to an amount or time the determination or calculation of which is governed by this Section 1.03, the provisions of this Section 1.03 shall be applicable to such determination or calculation, whether or not reference is specifically made to this Section 1.03, unless some other method of determination or calculation is expressly specified in the particular provision.

[END OF ARTICLE I]

ARTICLE II

CONVEYANCE OF RECEIVABLES; ISSUANCE OF CERTIFICATES

Section 2.01 Conveyance of Receivables. (a) By execution of this Agreement, the Transferor does hereby assign, transfer and otherwise convey to the Trust from time to time, without recourse (except as specifically provided herein), all its right, title and interest, whether now owned or hereafter acquired, in, to and under (i) all Receivables in each case sold or otherwise transferred to the Transferor pursuant to the Purchase Agreement prior to the Final Trust Termination Date, (ii) with respect to such Receivables, all accounts, chattel paper, general intangibles, and instruments (each, as defined in the applicable Uniform Commercial code), and all rights (but not the obligations) relating thereto, (iii) all Related Security and all other instruments and all rights under the Receivables Documents (but not the obligations) relating to such Receivables and all rights (but not the obligations) relating to such Receivables, (iv) all monies due or to become due with respect to any of the foregoing, and (v) all proceeds of any of the foregoing. Such property, together with all monies on deposit in the Lock-Box Accounts, the Collection Account, the Transferor Account, any Interest Funding Account, any Principal Funding Account or any Reserve Fund (with respect to each account or fund, other than net investment earnings), shall constitute the assets of the Trust (the "Trust Assets"). The foregoing transfer, assignment, set-over and conveyance does not constitute and is not intended to result in the creation, or an assumption by the Trust, the Trustee or any Investor Certificateholder, of any obligation of Ingram, any Designated Subsidiary, the Transferor or any other Person in connection with the Receivables or under any agreement or instrument relating thereto,

including, without limitation, any obligation to any Obligors, merchants or any Affiliate of or other Person to whom the Servicer may delegate servicing duties hereunder or insurers.

(b) In connection with such transfer, the Transferor agrees to record and file, at its own expense, any financing statements (and continuation statements with respect to such financing statements when applicable) required to be filed with respect to the Receivables now existing and hereafter created and the other Trust Assets meeting the requirements of applicable state law in such manner and in such jurisdictions as are necessary under the applicable UCC to perfect the transfer and assignment of the Receivables and the other Trust Assets to the Trust, and to deliver a file-stamped copy of such financing statements or other evidence of such filings to the Trustee within 10 days of the Initial Closing Date (excluding such continuation and similar statements, which shall be delivered promptly after filing). The Trustee shall be under no obligation whatsoever to file such financing or continuation statements or make any other filings under the UCC in connection with such conveyance.

(c) In connection with such transfer, on the fifth Business Day following (i) the date on which the Servicer receives a Termination Notice pursuant to Section 10.01 or (ii) the Amortization Period Commencement Date if attributable to the occurrence of an Event of Termination, the Servicer shall deliver to the Trustee a true and complete file or list of all Receivables outstanding on such date, specifying for each such Receivable the name of the Obligor thereunder and its aggregate Unpaid Balance as of the date on which the Termination Notice is delivered. Each such file or list shall be marked as a schedule hereto.

(d) It is intended by the Transferor that the interest of the Transferor transferred to the Trustee hereunder constitute a security interest under Section 1-201 of the UCC (as defined in the UCC as in effect in the States of New York and Delaware, respectively). The Transferor hereby grants to the Trustee on the terms and conditions of this Agreement a first priority security interest in and against all of the Transferor's right, title and interest in the Receivables and the other Trust Assets for the purpose of (i) securing the rights of the Trustee for the benefit of the Certificateholders under this Agreement and (ii) securing the right, ability and obligation of the Trustee to make all payments required to be made in accordance with the terms and conditions of this Agreement (the "Secured Obligations"),

Section 2.02 Acceptance by Trustee.

(a) The Trustee hereby acknowledges its acceptance on behalf of the Trust of all right, title and interest to the property, now existing and hereafter created, conveyed to the Trust pursuant to Section 2.01, and declares that, subject to the terms and conditions hereof and of any Supplement, it shall maintain such right, title and interest, upon the trust herein set forth, for the benefit of all Certificateholders.

(b) The Trustee hereby agrees not to disclose, except as may be required by law, to any Person any of the information contained in any computer files or microfiche lists delivered to the Trustee by the Transferor pursuant to Sections 2.01 or 2.06(c) except as is required in connection with the performance of its duties hereunder or in enforcing the rights of the Certificateholders or to a Successor Servicer appointed pursuant to Section 10.02 or to a prospective Successor Servicer. The Trustee agrees to take such measures as shall be reasonably requested by the Transferor to protect and maintain the security and confidentiality of such information and, in connection therewith, shall allow the Transferor to inspect the Trustee's security and confidentiality arrangements from time to time during normal business hours. The Trustee shall use its best efforts to provide the Transferor with written notice at least five Business Days prior to any disclosure pursuant to this Section 2.02(b).

(c) The Trustee hereby agrees not to use any information it obtains pursuant to this Agreement, including without limitation, any of the information contained in any computer files or microfiche lists delivered by the Transferor to the Trustee pursuant to Sections 2.01 or 2.06(c), to compete or assist any Person in competing with the Transferor, Ingram or any Designated Subsidiary in their respective businesses and to use such information only in connection with its responsibilities under this Agreement.

Section 2.03 Representations and Warranties of the Transferor Relating to the Transferor. The Transferor hereby represents and warrants, as of the Initial Closing Date and, with respect to any Series, as of the date of any Supplement and the related Closing Date, unless otherwise stated in such Supplement, that:

(a) Organization and Good Standing. The Transferor is a corporation duly organized and validly existing in good standing under the laws of the State of Delaware, and has full corporate power, authority and legal right to execute, deliver and perform its obligations under the Purchase Agreement, this Agreement and any Supplement and to execute and deliver to the Trustee pursuant hereto the Certificates, to conduct its business as such business is presently conducted, and in all material respects, to own its property and conduct its other businesses as such properties are presently owned and such businesses are presently conducted.

(b) Due Qualification. The Transferor is duly qualified to do business and is in good standing as a foreign corporation (or is exempt from such requirements), and has obtained all necessary licenses and approvals with respect to the Transferor, in each jurisdiction in which failure to so qualify or to obtain such licenses and approvals would render any Contract or any

Receivable unenforceable by the Transferor or the Trust or would have a material adverse effect on the Certificateholders.

(c) Due Authorization. The execution, delivery and performance of the Purchase Agreement, this Agreement and any Supplement and the execution and delivery to the Trustee of the Certificates by the Transferor and the consummation of the transactions provided for in this Agreement and any Supplement, have been duly authorized by the Transferor by all necessary corporate action on the part of the Transferor.

(d) Binding Obligation. Each of the Purchase Agreement, this Agreement and each Supplement constitutes the legal, valid and binding obligation of the Transferor, enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereinafter in effect, affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a proceeding at law or in equity).

(e) No Conflicts. The execution, delivery and performance of this Agreement and any Supplement and the Certificates, the performance of the transactions contemplated by this Agreement and any Supplement and the fulfillment of the terms hereof by the Transferor, do not (a) contravene its certificate of incorporation or By-Laws, (b) violate any provision of, or require any filing (except for the filings under the UCC required by this Agreement, each of which will be duly made and will be in full force and effect within 10 days after the Initial Closing Date), registration, consent or approval under, any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to the Transferor, except for such filings, registrations, consents or approvals as have already been obtained and are in full force and effect, (c) result in a breach of or constitute a default or require any consent under any indenture or loan or credit agreement or any other agreement, lease or instrument to which the Transferor is a party or by which it or its properties may be bound or affected except those as to which a consent or waiver has been obtained and is in full force and effect and an executed copy of which has been delivered to the Trustee, or (d) result in, or require, the creation or imposition of any lien upon or with respect to any of the properties now owned or hereafter acquired by the Transferor other than as specifically contemplated by this Agreement.

(f) Taxes. The Transferor has filed all material tax returns (federal, state and local) which it reasonably believes are required to be filed and has paid or made adequate provision for the payment of all taxes, assessments and other governmental charges due from the Transferor or is contesting any such tax, assessment or other governmental charge in good faith through appropriate proceedings. The Transferor knows of no basis for any material additional tax assessment for any fiscal year for which adequate reserves have not been established.

(g) No Proceedings. There are no proceedings or investigations pending or, to the best knowledge of the Transferor, threatened against the Transferor, before any court, regulatory body, administrative agency, or other tribunal or governmental instrumentality (i) asserting the invalidity of the Purchase Agreement, this Agreement or any Supplement or the Certificates, (ii) seeking to prevent the issuance of the Certificates or the consummation of any of the transactions contemplated by this Agreement or any Supplement or the Certificates, (iii) seeking any determination or ruling that, in the reasonable judgment of the Transferor, would materially and adversely affect the performance by the Transferor of its obligations under the Purchase Agreement, this Agreement or any Supplement, (iv) seeking any determination or ruling that would materially and adversely affect the validity or enforceability of the Purchase Agreement, this Agreement or any Supplement or the Certificates, or (v) seeking to assert any tax liability against the Trust under the United States Federal or New York State income tax systems.

(h) All Consents Required. All approvals, authorizations, consents, orders or other actions of any Person or of any Governmental Authority required in connection with the execution and delivery by the Transferor of this Agreement, any Supplement, the Purchase Agreement and the Certificates, the performance by the Transferor of the transactions contemplated by this Agreement and any Supplement and the fulfillment by the Transferor of the terms hereof, have been obtained and are in full force and effect; provided, however, that the Transferor makes no representation or warranty regarding state securities or "blue sky" laws in connection with the distribution of the Certificates.

(i) Place of Business. The principal place of business of the Transferor if it has only one place of business or its chief executive office Has that term is used in the UCC) if it has more than one place of business is in Wilmington, Delaware. The records concerning the Receivables and related Contracts are kept in offices of the Servicer or of the Designated Subsidiaries acting as subservicers located in Tennessee, California and New York.

(j) Use of Proceeds. No proceeds of the issuance of any Certificate will be used by the Transferor to acquire any security in a transaction that is subject to sections 13 and 14 of the Securities Exchange Act of 1934, as amended, or to purchase or carry any margin security in violation of any applicable law or regulation.

(k) Lock-Box Banks and Accounts. The Lock-Box Banks are the only institutions holding any lock-box accounts for the receipt of payments from Obligors in respect of Receivables (subject to such changes as may be made from time to time in accordance with Section 2.06(i)) and all Obligors, and only such Obligors, have been instructed to make payments only to Lock-Box

Accounts and such instructions are in full force and effect.

(l) Event of Termination. As of the Initial Closing Date, no Event of Termination and no condition that with the giving of notice and/or the passage of time would constitute an Event of Termination (a "Prospective Event of Termination"), has occurred and is continuing.

(m) Not an Investment Company. The Transferor is not an "investment company" or a company controlled by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or is exempt from all provisions of such Act.

(n) ERISA. No Plan maintained by the Transferor or any of its ERISA Affiliates has any "accumulated funding deficiency" (within the meaning of Section 302 of ERISA or Section 412 of the Internal Revenue code), whether or not waived. The Transferor and each ERISA Affiliate of the Transferor has timely made all contributions required to be made by it to any Plan and Multiemployer Plan to which contributions are or have been required to be made during the preceding five years by the Transferor or such ERISA Affiliate, and no event requiring notice to the PBGC under Section 302(f) of ERISA has occurred and is continuing or could reasonably be expected to occur with respect to any such Plan, in any case, that could reasonably be expected to result, directly or indirectly, in any lien being imposed on the property of the Transferor or the payment of any material amount to avoid such lien. No Plan Event with respect to the Transferor or any of its ERISA Affiliates has occurred or could reasonably be expected to occur that could reasonably be expected to result, directly or indirectly, in any Lien being imposed on the property of the Transferor or the payment of any material amount to avoid such Lien.

The representations and warranties set forth in this Section 2.03 shall survive the transfer and assignment of the Receivables to the Trust. Upon discovery by the Transferor, the Servicer or a Responsible Officer of the Trustee of a material breach of any of the foregoing representations and warranties, the party discovering such breach shall give written notice thereof to the others and to the Rating Agencies within three Business Days of such discovery.

Section 2.04 Representations and Warranties of the Transferor Relating to the Agreement, any Supplement and the Receivables; Reassignment of Receivables.

(a) Representations and Warranties. The Transferor (x) hereby represents and warrants as of the Initial Closing Date, with respect to the Receivables created on or prior to, and outstanding on, such date and (y) shall be deemed to represent and warrant as of the date of the creation and transfer to the Trust of any Receivables with respect to such Receivables, that:

(i) the Transferor is not insolvent;

(ii) the Transferor is the legal and beneficial owner of all right, title and interest in and to each such Receivable and each such Receivable has been or will be transferred to the Trust free and clear of any Lien;

(iii) all consents, licenses, approvals or authorizations of or registrations or declarations with any Governmental Authority or Person required to be obtained, effected or given by the Transferor in connection with the transfer of Trust Assets to the Trust have been duly obtained, effected or given and are in full force and effect;

(iv) the Transferor has clearly and unambiguously marked all its computer records and all its microfiche storage files, if any, regarding such Receivables as the property of the Trust and shall maintain such records in a manner such that the Trust shall have a perfected interest of first priority in the Receivables. This Agreement constitutes either (i) a valid transfer and assignment to the Trust of all right, title and interest of the Transferor in the Receivables now existing and hereafter created and in the Related Security and Collections with respect thereto, all proceeds (as defined in the UCC as in effect in the State of New York) of each Receivable and such funds as are deposited from time to time in the Collection Account, and such property will be free and clear of any Adverse Claim or interest of any Person not holding through the Trust, or (ii) a grant of a "security interest" (as defined in the UCC as in effect in the State of New York) in such property to the Trust as provided in Section 2.02(c), which, in the case of existing Receivables and the Related Security and Collections with respect thereto and the proceeds thereof, is enforceable upon execution and delivery of this Agreement, and which will be enforceable with respect to such Receivables hereafter created and the proceeds thereof upon such creation. Upon the filing of any financing statements described in Section 2.01 and, in the case of the Receivables hereafter created or transferred to the Trust and the proceeds thereof, upon the creation or transfer thereof, the Trust shall have a first priority perfected security interest in such property; provided, however, that such security interest in proceeds shall remain perfected after 10 days from their receipt by the Transferor only to the extent that such proceeds are identifiable cash proceeds or they come into the Trust's possession within the applicable 10-day period; and provided, further, that the Transferor makes no representation or warranty with respect to the effect of Section 9-306(4) of the UCC on the rights of the Trust to proceeds held by the Transferor at the time insolvency proceedings are instituted by or against the seller of the Receivables to which the proceeds relate. Except as otherwise provided in this Agreement, neither the Transferor nor any Person claiming through or under the Transferor has any claim to or interest in the Collection Account;

(v) on the fifth Business Day following (i) the date the

Servicer receives a Termination Notice pursuant to Section 10.01 or (ii) the Amortization Period Commencement Date if attributable to the occurrence of an Event of Termination, the Transferor shall cause the Servicer to deliver a Schedule to this Agreement which will be an accurate and complete listing of all the Receivables in all material respects as of such day and the information contained therein with respect to the identity of each Receivable and the Unpaid Balance existing thereunder will be true and correct in all material respects as of such day; as of the close of business on February 10, 1993, the aggregate Unpaid Balance for all Receivables was $499,889,865.08; as of the close of business on February 10, 1993 the aggregate Unpaid Balance for all Eligible Receivables was $486,234,178.85;

(vi) each such Receivable and Related Security and Collections with respect thereto has been or will be transferred to the Trust free and clear of any Adverse Claim or interest of any Person not holding through the Trust;

(vii) each account receivable conveyed pursuant to Section 2.01 hereof is on the date of creation of such account receivable a Receivable and each Receivable classified as an "Eligible Receivable" by the Transferor in any document or report delivered hereunder will satisfy the requirements contained in the definition of Eligible Receivable;

(viii) each Receivable is or will be at the time of transfer to the Trust an account receivable arising out of the performance by the Ingram Book Company division of Ingram or any Designated Subsidiary in accordance with the terms of the Contract giving rise to such Receivable. The Transferor has no knowledge of any fact which should have led it to expect at the time of the initial creation of an interest in any Receivable hereunder that such Receivable would not be paid in full when due except with respect to any sales and marketing discount then available to Obligors. Each Receivable classified as an "Eligible Receivable" by the Transferor in any document or report delivered hereunder will satisfy the requirements of eligibility contained in the definition of Eligible Receivable; and

(ix) each such Receivable was purchased in accordance with the terms of the Purchase Agreement, which is in full force and effect.

(b) Notice of Breach. The representations and warranties set forth in this Section 2.04 shall survive the transfer and assignment of the Trust Assets to the Trust. Upon discovery by the Transferor, the Servicer or a Responsible Officer of the Trustee of a material breach of any of the representations and warranties set forth in this Section 2.04(a)(i) through (ix), the party discovering such breach shall give written notice to the others and to the Rating Agencies within three Business Days of such discovery.

(c) Transfer Upon Breach of Warranty. In the event of a breach with respect to a Receivable of any of the representations and warranties set forth in Section 2.04(a)(ii) through (ix) above which cannot be cured by the Business Day following the first day on which the Transferor has knowledge thereof, such Receivable (a "Reconveyed Receivable") shall be removed from the Trust (without further action) by deducting the Unpaid Balance of each such Reconveyed Receivable from the Eligible Receivables in the Trust and decreasing the Transferor Amount. On and after the date of such removal, each Reconveyed Receivable so removed shall not be included in the calculation of any Invested Percentage, the Issuer Percentage, the Transferor Percentage, any Invested Amount, the Issuer Amount or the Transferor Amount. To the extent that the exclusion of a Reconveyed Receivable from the calculation of the Transferor Amount would cause the Transferor Eligible Amount to be reduced below the Transferor Minimum Amount or would otherwise not be permitted by any Requirement of Law, the Transferor shall make or cause to be made a deposit in the Collection Account in immediately available funds by the close of business on the Business Day following the first day the Transferor has knowledge of the existence of a Reconveyed Receivable in an amount equal to the related Transfer Deposit Amount remaining due. Such deposit shall be considered a payment in full of the Reconveyed Receivable during the Settlement Period to which such payment relates and shall be allocated in accordance with Section 4.03. Upon each removal of a Reconveyed Receivable from the Trust, the Trust shall automatically and without further action be deemed to transfer, assign, set-over and otherwise convey to or upon the order of the Transferor, without recourse, representation or warranty, all the right, title and interest of the Trust in and to such Reconveyed Receivable, all Related Security and Collections with respect thereto and all proceeds thereof The Trustee shall execute such documents and instruments of transfer or assignment as shall be prepared by the Transferor, and shall take such other actions as shall reasonably be requested by the Transferor, to effect the conveyance of such Reconveyed Receivable pursuant to this Section. The obligation of the Transferor set forth in this Section, or the automatic removal of such Receivable from the Trust, as the case may be, shall constitute the sole remedy respecting any breach of the representations and warranties set forth in the above referenced Section with respect to such Receivable available to the Investor Certificateholders, the Holder of the Variable Funding Certificate or the Trustee on behalf of the Investor Certificateholders or such Holder.

(d) Reassignment of Trust Portfolio. In the event of a breach of any of the representations and warranties set forth in subsections 2.03(a), (b), (c) or (d) or subsection 2.04(a)(i) with respect to any Series, any of the Trustee, the Holder of the Variable Funding Certificate or the Holders of Investor Certificates evidencing Undivided Interests aggregating more than 50% of the Aggregate Invested Amount of such Series, by notice then given in writing to the Transferor (with a copy thereof to the Rating Agencies) and to the Trustee and the Servicer (if given by the Investor Certificateholders or the Holder of the Variable

Funding Certificate), may direct the Transferor to accept reassignment of an amount of Principal Receivables equal to the face amount of the Invested Amount and/or Issuer Amount to be repurchased (as specified below) within 60 days of such notice, and the Transferor shall be obligated to accept reassignment of such Principal Receivables on a Payment Date specified by the Transferor (such Payment Date, the "Reassignment Date") occurring within such applicable period on the terms and conditions set forth below; provided, however, that no such reassignment shall be required to be made if, at any time during such applicable period, the Servicer shall provide the Trustee with an Officer's Certificate to the effect that the representations and warranties contained in subsections 2.03(a), (b), (c) and (d) and subsection 2.04(a)(i) shall then be true and correct in all material respects. The Transferor shall, on the Business Day immediately preceding the Reassignment Date, deposit an amount (in next day funds) equal to the reassignment deposit amount for such Series and/or the Variable Funding Certificate in the Collection Account, as provided in the related Supplement, for distribution to the Investor Certificateholders and/or to the Holder of the Variable Funding Certificate pursuant to Article XII. The reassignment deposit amount with respect to any Series and/or the Variable Funding Certificate, unless otherwise stated in the related Supplement, shall be equal to (i) the Invested Amount of such Series and/or the Issuer Amount at the end of the Record Date preceding the Reassignment Date; plus (ii) an amount equal to all interest accrued but unpaid on the Investor Certificates of such Series at the applicable Certificate Rate and/or on the Variable Funding Certificate through the Record Date for the Payment Date on which the distribution of such deposit is scheduled to be made pursuant to Section 12.03, less the amount, if any, previously allocated for payment of interest to the Certificateholders of such Series and/or to the Holder of the Variable Funding Certificate on the related Payment Date in the month in which the Reassignment Date occurs provided, however, any such payment made with respect to the Variable Funding Certificate shall also include such additional amounts, if any, necessary to pay the Interest Component of all Outstanding Commercial Paper of the CP Issuer maturing subsequent to such Reassignment Date. Payment of the reassignment deposit amount with respect to any Series, and/or on the Variable Funding Certificate, and all other amounts in the Collection Account, shall be considered a prepayment in full of the Receivables represented by the Investor Certificates of such Series and/or the Variable Funding Certificate. On the Payment Date following the date on which such amount has been deposited in full into the Collection Account, the Receivables and all monies due or to become due with respect thereto and all proceeds of the Receivables allocated to the Receivables pursuant to the related Supplement shall be released to the Transferor after payment of all amounts otherwise due hereunder on or prior to such dates and the Trustee shall execute and deliver such instruments of transfer or assignment, in each case without recourse, representation or warranty, as shall be prepared by and as are reasonably requested by the Transferor to vest in the Transferor, or its designee or assignee, all right, title and interest of the Trust in and to such Receivables, all monies due or to become due with respect thereto and all proceeds of such Receivables allocated to such Receivables pursuant to the related Supplement. If the Trustee or the Investor Certificate holders of any Series and/or the Holder of the Variable Funding Certificate give(s) notice directing the Transferor to accept reassignment as provided above, the obligation of the Transferor to accept reassignment of the applicable Receivables and pay the reassignment deposit amount pursuant to this subsection 2.04(d) shall constitute the sole remedy respecting a breach of the representations and warranties contained in subsections 2.03(a), (b), (c) and (d) and 2.04(a)(i) available to the Investor Certificateholders of such Series and/or the Holder of the Variable Funding Certificate or the Trustee on behalf of the Investor Certificateholders of such Series and/or the Holder of the Variable Funding Certificate. The Trustee shall have no duty to conduct any affirmative investigation as to the occurrence of any condition requiring the repurchase of any Receivable by the Transfer pursuant to this Agreement or any Supplement or the eligibility of any Receivable for purposes of this Agreement or any Supplement.

Section 2.05 [Reserved].

Section 2.06 Covenants of the Transferor. During the term of this Agreement, and until (i) the Invested Amount and the Issuer Amount are reduced to zero, (ii) the Investor Certificateholders and the Holder of the Variable Funding Certificate shall have received all accrued interest on the applicable Certificate, and (iii) all amounts owed by the Transferor pursuant to this Agreement have been paid, the Transferor covenants and agrees as follows:

(a) Compliance with Laws, etc. The Transferor shall duly satisfy all obligations on its part to be fulfilled under or in connection with the Receivables, will maintain in effect all qualifications required under Requirements of Law in order to properly purchase and convey the Receivables and other Trust Assets and will comply in all material respects with all Requirements of Law in connection with purchasing and conveying the Receivables the failure to comply with which would have a material adverse effect on the Trust or its interests in the Receivables.

(b) Preservation of Corporate Existence. The Transferor (i) shall preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation and (ii) shall qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification would, if not remedied, materially adversely affect the interests of the Holder of the Variable Funding Certificate and the Investor Certificateholders hereunder or in the Receivables, or the ability of the Transferor or the Servicer to perform its obligations hereunder in the case of (ii) and where such failure shall remain unremedied for a period of 30 days or such failure shall have a

material adverse effect on the interests of the Trust or the Certificateholders or the Trust's interests in the Receivables, or the ability of the Transferor or the Servicer to perform its obligations hereunder.

(c) Audits. At any time and from time to time during the Transferor's regular business hours, on reasonable prior notice and for a purpose reasonably related to this Agreement, the Transferor shall, in response to any reasonable request of the Trustee, permit the Trustee, or its agents or representatives, (i) to examine and make copies of and abstracts from all books, records and documents (including, without limitation, computer tapes and disks) in the possession or under the control of the Transferor relating to the Receivables, the Related Security and the related Contracts and (ii) to visit the offices and properties of the Transferor for the purpose of examining such materials and to discuss matters relating to the Receivables or the Transferor's performance hereunder with any of the officers or employees of the Transferor having knowledge thereof. Any such examination or visit made pursuant to this Section 2.06(c) shall be at the cost and expense of the party or parties making such examination or visit.

(d) Continuous Perfection. The Transferor shall not change its name, identity or structure in any manner which might make any financing or continuation statement filed hereunder misleading within the meaning of Section 9-402(7) of the UCC (or any other then applicable provision of the UCC) unless the Transferor shall have given the Trustee at least 90 days' prior written notice thereof and shall have taken all action 60 days prior to making such change (or made arrangements to take such action substantially simultaneously with such change if it is impossible to take such action in advance) necessary or advisable to amend such financing statement or continuation statement so that it is not misleading. The Transferor shall not change its chief executive office or change the location of its principal records concerning the Receivables, the Related Security or the Collections from the locations specified in Section 2.03(i) unless it has given the Trustee at least 60 days' prior written notice of its intention to do so and has taken such action as is necessary or advisable to cause the interest of the Trustee in the Receivables and the other Trust Assets to continue to be perfected with the priority required by this Agreement. The Transferor will at all times maintain its principal executive office and any other office at which it maintains records relating to the Receivables and the Related Security within the United States of America. The Transferor shall provide notice to the Rating Agencies confirming that WCC-1 financing statements to be filed within 10 days of the Initial Closing Date shall have been filed.

(e) Extension or Amendment of Receivables. The Transferor shall not extend, amend or other wise modify the terms of any Receivable, or amend, modify or waive any term or condition of any Contracts related thereto in any manner which would have a material adverse effect on the interests of the Certificateholders.

(f) Reports. The Transferor shall furnish to the Trustee and to each Rating Agency as soon as possible and in any event within five Business Days after the occurrence of each Event of Termination or the Transferor's knowledge of a Prospective Event of Termination, the statement of a senior financial officer of the Transferor setting forth the details of such Event of Termination or Prospective Event of Termination and the action taken, or which the Transferor proposes to take, with respect thereto.

(g) Certain Documentation. The Transferor shall hold for the account of the Trust (to the extent of its interest therein) any document evidencing or securing a Receivable and the related Contract, other than instruments (as such term is used in the WCC), if any, that shall have been delivered to the Trustee contemporaneously with the conveyance to the Trust hereunder. Such holding by the Transferor shall be in trust and shall be deemed to be the holding thereof by the Trustee for purposes of perfecting the Trust's rights therein as provided in the UCC.

(h) Assessments. The Transferor will promptly pay and discharge all taxes, assessments, levies and other governmental charges imposed on it which may adversely affect any of the Receivables or the Trust's rights with respect thereto.

(i) Change in Lock-Box Banks or Instructions. The Transferor may permit Ingram to add or terminate any bank as a Lock-Box Bank from those listed in Exhibit K hereto, or make any change in the Lock-Box Agreements or in its existing instructions to Obligors regarding payments to be made to any Lock-Box Bank (so long as an Obligor remains instructed to make payments on a Receivable to a Lock-Box Account and so long as any such change shall not change the Transferor as the owner of the Lock-Box Account), but in each case only upon written notice from Ingram to the Trustee and the Transferor; provided that any bank, other than those banks listed on Exhibit K hereto (including their successors), added as a Lock-Box Bank shall have short-term debt ratings of A-1 by S&P and, if rated by Fitch, F-1 by Fitch at the time it becomes a Lock-Box Bank or the addition of such bank as a Lock-Box Bank shall have been consented to by the Required Banks. The Transferor shall give notice to the Trustee of the name and address of each additional Lock-Box Bank. In the event that the Transferor or Ingram enters into a Lock-Box Agreement with a Lock-Box Bank with respect to which the Transferor or Ingram had not entered into a Lock-Box Agreement at the Initial Closing Date, the Transferor shall deliver, or cause Ingram to deliver, to the Trustee a copy of the executed Lock-Box Agreement prior to instructing any Obligors to make payment to such Lock-Box Bank. The Transferor shall provide notice to the Rating Agencies confirming that all Lock-Box Agreements have been amended to name the Transferor as the party thereto within 30 days of the Initial Closing Date.

(j) Further Action. The Transferor shall, from time to time, execute and deliver to the Trustee any instruments, financing or continuation statements or other writings reasonably necessary or desirable to maintain the perfection or priority of the Trustee's ownership or security interest in the Receivables, the Related Security and the Collections under the UCC or other applicable law. The Transferor shall, from time to time, execute and deliver to the Obligors on the Receivables any bills, statements and letters or other writings necessary to carry out the terms and provisions of this Agreement and to facilitate the collection of the Receivables.

(k) Additional Indebtedness. The Transferor shall not create, incur, assume or suffer to exist any indebtedness (including, without limitation, any guaranty) or expense (whether or not accounted for as a liability) except (i) indebtedness hereunder, under the Purchase Agreement, the Investor Certificates, the Variable Funding Certificate, or any agreements, contracts or instruments which relate thereto, (ii) indebtedness or other expense to its professional advisers and its counsel, not exceeding $50,000, (iii) where that Person to whom such indebtedness or expense will be owing has delivered to the Transferor an undertaking that it will not institute against, or join any other Person in instituting against, the Transferor any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding, or other proceeding under any federal or state bankruptcy or similar law, for one year and a day after the Variable Funding Certificate and all Investor Certificates are paid in full, and (iv) other indebtedness and expenses, not exceeding $4,750 at any one time outstanding, on account of incidentals or services supplied or furnished to the Transferor; provided, that the obligations of the Transferor to Certificateholders hereunder, solely with respect to the payment of interest and the repayment of principal under such Certificate, shall be payable solely from the Trust Assets in accordance herewith and the Certificateholders shall not look to any other property or assets of the Transferor in respect of such obligations and such obligations shall not constitute a claim against the Transferor in the event that the Trust Assets are insufficient to pay in full such interest and principal; provided, that the obligations of the Transferor to Certificateholders hereunder with respect to amounts other than interest and principal under the Certificates shall be payable from the Trust Assets or any other assets of the Transferor, except that all such obligations of the Transferor to Certificateholders shall be suspended at any time that, and for so long as, the Transferor's assets are insufficient to pay in full such obligations, and that all such obligations are fully subordinated to the Transferor's obligations with respect to the payment of interest and principal under the Investor Certificates and the Variable Funding Certificate, and the security interest of the Trustee in the Trust Assets with respect to such interest and principal obligations.

(l) No Transfer. The Transferor agrees that it shall not sell, assign, pledge, convey or otherwise transfer any Receivable or any interest therein or any other Trust Asset, except for the transfer of the Trust Assets to the Trust as provided herein, and shall defend and hold harmless the Trustee from any Adverse Claim in or to any Eligible Receivable, except to the extent the Transferor is otherwise required to repurchase such Receivable hereunder.

(m) No Other Business. The Transferor agrees to engage in no business other than the business contemplated hereunder and under the Purchase Agreement without the prior written confirmation from each Rating Agency that such change in business will not result in such Rating Agency reducing or withdrawing its rating on any outstanding Series or the Commercial Paper.

(n) Enforcement and No Modification of Purchase Agreement. The Transferor agrees to take all action necessary and appropriate to enforce its rights and claims under the Purchase Agreement. The Transferor agrees not to amend or modify the Purchase Agreement without the prior written consent of the Holder of the Variable Funding Certificate and the Holders of Investor Certificates evidencing fractional undivided interests aggregating not less than 65% of the Invested Amount and without the prior written confirmation from each Rating Agency that such amendment will not result in such Rating Agency reducing or withdrawing its rating on any outstanding Series or the Commercial Paper.

(o) Separate Business. The Transferor shall at all times (a) to the extent the Transferor's office is located in the offices of Ingram or any Affiliate of Ingram, pay fair market rent for its executive office space located in the offices of Ingram or any Affiliate of Ingram, (b) maintain the Transferor's books, financial statements, accounting records and other corporate documents and records separate from those of Ingram or any other entity, (c) not commingle the Transferor's assets with those of Ingram or any other entity; provided that the foregoing restriction shall not preclude the Transferor from lending its excess cash balances to Ingram for investment (which may include inter-affiliate loans made by Ingram) by Ingram on a pooled basis as part of the cash management system maintained by Ingram for its consolidated group so long as all such transactions are properly reflected on the books and records of the Transferor and Ingram, (d) act solely in its corporate name and through its own authorized officers and agents, (e) make investments directly or by brokers engaged and paid by the Transferor or its agents (provided that if any such agent is an Affiliate of the Transferor it shall be compensated at a fair market rate for its services), (f) separately manage the Transferor's liabilities from those of Ingram or any affiliates of Ingram and pay its own liabilities, including all administrative expenses, from its own separate assets, except that Ingram may pay the organizational expenses of the Transferor, and (g) pay from the Transferor's assets all obligations and indebtedness of any kind incurred by the Transferor. The Transferor shall abide by all corporate formalities, including the maintenance of current minute books, and the

Transferor shall cause its financial statements to be prepared in accordance with generally accepted accounting principles in a manner that indicates the separate existence of the Transferor and its assets and liabilities. The Transferor shall (i) pay all its liabilities, (ii) not assume the liabilities of Ingram or any affiliate of Ingram, and (iii) not guarantee the liabilities of Ingram or any affiliates of Ingram. The officers and directors of the Transferor (as appropriate) shall make decisions with respect to the business and daily operations of the Transferor independent of and not dictated by any con trolling entity.

(p) Corporate Documents. The Transferor shall not amend, alter, change or repeal Articles III, V, IX, XI, XII and XIII of its Certificate of Incorporation without the prior written consent of each of its Independent Directors and the Trustee and without the prior written confirmation by each Rating Agency that such amendment will not result in such Rating Agency reducing or withdrawing its rating on any outstanding Series or on the Commercial Paper.

(q) Designated Subsidiaries. From and after the Initial Closing Date, the Transferor shall not consent to the designation of additional Designated Subsidiaries by Ingram without the prior written consent of the Required Banks.

(r) ERISA. The Transferor shall promptly give the Trustee notice of the following events, as soon as possible and in any event within 30 days after the Transferor or any of its ERISA Affiliates knows or has reason to know thereof: (i) the occurrence or expected occurrence of any Reportable Event with respect to any Plan to which the Transferor or any of its ERISA Affiliates contributed, or any withdrawal from, or the termination, Reorganization or Insolvency of any Multiemployer Plan to which the Transferor or any of its ERISA Affiliates contributes or to which contributions have been required to be made by the Transferor or such ERISA Affiliate during the preceding five years or (ii) the institution of proceedings or the taking of any other action by the PBGC or the Transferor or any of its ERISA Affiliates or any such Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any such Plan or Multiemployer Plan.

(s) Purchase Agreement Notices, Waivers, Etc. The Transferor (i) shall promptly give the Trustee copies of any notices, reports or certificates given or delivered to the Transferor under the Purchase Agreement and (ii) shall not, without the prior consent of the Holder of the Variable Funding Certificate and Holders of Investor Certificates evidencing fractional undivided interests aggregating not less than 65% of the Invested Amount, enter into any amendment, supplement or other modification to, or waiver of any provision of, the Purchase Agreement or consent to the addition of a Designated Subsidiary thereunder.

(t) Payments from Lock-Box Accounts. The Transferor, promptly on the Business Day on which any Collections deposited into the Lock-Box Accounts shall have become good available funds, shall remit or cause to be remitted such Collections to the Collection Account.

Section 2.07 Authentication of Certificates. Pursuant to the request of the Transferor, the Trustee has caused Certificates in authorized denominations evidencing the entire beneficial ownership of the Trust to be duly authenticated and delivered to or upon the order of the Transferor pursuant to Section 6.02.

Section 2.08. Tax Treatment. The Transferor has entered into this Agreement, and the Variable Funding Certificate and the Investor Certificates have been (or will be) issued, with the intention that such Investor Certificates and Variable Funding Certificate will qualify under applicable tax law as indebtedness of the Transferor. The Transferor, the Holder of the Variable Funding Certificate, each Investor Certificateholder by acceptance of its Investor Certificate and each Certificate Owner by acquiring an interest in an Investor Certificate agrees to treat the Variable Funding Certificate or the Investor Certificates, as the case may be, as indebtedness of the Transferor, for purposes of federal, state and local income or franchise taxes and for any other tax imposed on or measured by income. In accordance with the foregoing, the Transferor agrees that it will report its income for such federal, state, and local income or franchise taxes, or for other taxes on or measured by income, on the basis that it is the owner of the Receivables. Furthermore, the Trustee hereby agrees to treat the Trust as a security device only, and shall not file tax returns or obtain an employer identification number on behalf of the Trust.

Section 2.09 Cancellation of the Certificates of any Series. The Transferor may acquire any Certificate of any Series and deliver it to the Trustee for cancellation under this Section. Upon such delivery, the Trustee shall cancel such Investor Certificate as provided in Section 12.03(c). As a result of such delivery and cancellation, the Transferor Amount shall be increased by the principal amount of such Investor Certificate and the Invested Percentages with respect to such Series, the Minimum Aggregate Principal Receivables and any other defined term herein or in the applicable Supplement, the definition of which depends upon an assumption that such Investor Certificate had been issued as a part of such Series, shall be recomputed on the basis of the assumption that such Investor Certificate had not been issued as part of such Series. Upon such delivery, such Certificate shall be accompanied by an Officer's Certificate of the Transferor stating the recomputed amounts of the defined terms referred to in the preceding sentence.

Section 2.10 Transferor Minimum Amount; Minimum Adjusted Eligible Principal Receivables. If, with respect to any Series or the Variable Funding Certificate, on any Business Day (A) the Transferor Eligible Amount as of the end of the preceding Business Day is less than the

Transferor Minimum Amount for such preceding Business Day or (B) the Adjusted Eligible Principal Receivables as of the end of the preceding Business Day are less than the Minimum Adjusted Eligible Principal Receivables an of the end of such preceding Business Day, the Transferor shall make or cause to be made a deposit in the Transferor Account in immediately available funds by the close of business on the next Business Day, in an amount equal to the Transferor Account Deposit Amount.

[END OF ARTICLE II]

ARTICLE III

ADMINISTRATION AND SERVICING OF RECEIVABLES

Section 3.01 Acceptance of Appointment and Other Matters Relating to the Servicer.

(a) Ingram agrees to act, and is hereby appointed by the Trustee and the Transferor to act, as the Servicer under this Agreement, and all Certificate holders, including the Transferor, by their acceptance of the Certificates consent to Ingram acting as Servicer. The Servicer shall service and administer the Receivables and shall collect payments due under the Receivables in accordance with its customary and usual servicing procedures for servicing receivables owned by it and comparable to the Receivables and in accordance with the Credit and Collection Policy and shall have full power and authority, acting alone or through any party properly designated by it hereunder, to do any and all things in connection with such servicing and administration which it may deem necessary or desirable; provided, however, that if Ingram is no longer the Servicer, the Servicer shall service the Receivables in accordance with the standards that would be employed by a prudent institution in servicing comparable receivables for its own account. Without limiting the generality of the foregoing and subject to Section 10.01, the Servicer is hereby authorized and empowered (i) to instruct the Trustee to make withdrawals and payments from the Collection Account as set forth in this Agreement or any Supplement, (ii) to execute and deliver, on behalf of the Trust for the benefit of the Certificateholders, any and all instruments of satisfaction or cancellation, or of partial or full release or discharge, and all other comparable instruments, with respect to the Receivables and, after the delinquency of any Receivable and to the extent permitted under and in compliance with applicable law and regulations, to commence enforcement proceedings with respect to such Receivable, and (iii) to make any filings, reports, notices, applications, registrations with, and to seek any consent or authorizations from, the Securities and Exchange Commission and any state securities authority on behalf of the Trust as may be necessary or advisable to comply with any federal or state securities or reporting requirements or laws.

(b) The Servicer shall not, and no Successor Servicer shall, be obligated to use separate servicing procedures, offices, employees or accounts for servicing the Receivables from the procedures, offices, employees and accounts used by the Servicer or such Successor Servicer, as the case may be, in connection with servicing other receivables of the same type.

(c) Each of the Transferor and the Trustee hereby appoints the Servicer as its agent to enforce its respective rights and interest in and under the Receivables, the related Contracts and the Related Security. If Ingram is not the Servicer, Ingram shall promptly deliver to the Servicer, and the Servicer shall hold in trust for the Transferor and the Trustee in accordance with their respective interests, all documents, instruments and records (including, without limitation, computer tapes or disks) that evidence or relate to Receivables.

(d) Provided no Event of Termination shall have occurred and be continuing, the Servicer may, in accordance with the Credit and Collection Policy, (i) extend the maturity or adjust the Unpaid Balance of any Receivable as the Servicer may determine to be appropriate to maximize Collections thereof and (ii) adjust the Unpaid Balance of any Receivable to reflect Credits.

(e) Except to the extent that, in accordance with the Credit and Collection Policy, Credits may be applied toward future purchases and not as a reduction of the Unpaid Balance of an existing Receivable, or to the extent that Collections on Receivables that are not Eligible Receivables or are in excess of the Concentration Limit are deemed to be Collections on Adjusted Eligible Receivables or as otherwise required by law, Credits and Collections shall be applied to the Receivables to which they relate.

(f) The Servicer shall provide all reports and documentation required by Section 3.04.

(g) In the event that the Transferor is unable for any reason to transfer Receivables to the Trust in accordance with the provisions of this Agreement (including, without limitation, by reason of any court of competent jurisdiction ordering that the Transferor not transfer any additional Receivables to the Trust) then, in any such event, (A) the Servicer agrees to allocate and pay to the Trust, after the date of such inability, all Collections with respect to Receivables transferred to the Trust prior to the occurrence of such event, and all amounts that would have constituted Collections with respect to accounts receivable that would have been Receivables but for the Transferor's inability to transfer such accounts receivable to the Trust (up to an aggregate amount equal to the

amount of Receivables in the Trust as of such date); and (B) the Servicer agrees to have such amounts applied as Collections in accordance with Section 4.03. For the purpose of the immediately preceding sentence of this Section 3.01(g), unless otherwise specifically directed by the Obligor, the Servicer shall treat the first received Collections with respect to the Receivables as allocable to the Trust for the benefit of all Certificateholders until the Trust shall have been allocated and paid Collections in an amount sufficient to pay the aggregate amount of Receivables in the Trust as of the date of occurrence of such event.

(h) Obligors shall be instructed by the Transferor, the Servicer or a Designated Subsidiary to make all payments on the Receivables to Lock-Box Accounts maintained by Lock-Box Banks pursuant to Lock-Box Agreements and all Collections on Receivables of amounts due and owing will, pending remittance by the Servicer to the Collection Account, be held for the benefit of the Trust and shall be payable to the Collection Account not later than the Business Day on which funds are available following receipt thereof. Any payments on the Receivables made by Obligors directly to the Servicer shall be mailed by the Servicer to the appropriate Lock-Box Bank not later than the Business Day following receipt thereof or shall be deposited in the Collection Account not later than the Business Day following the date on which funds are available.

Section 3.02 Servicinq Compensation. As compensation for its servicing activities hereunder and reimbursement for its expenses as set forth in the immediately following paragraph, the Servicer shall be entitled to receive a servicing fee in respect of each day prior to the termination of the Trust pursuant to Section 12.01 (the "Servicing Fee"), payable in arrears on each date specified in the applicable Supplement, equal to the product of (i) a fraction, the numerator of which is the actual number of days in the measuring period specified in the applicable Supplement and the denominator of which is the actual number of days in the year, (ii) the weighted average Servicing Fee Percentage (based upon the Servicing Fee Percentage for each Certificate and the Principal Receivables allocated thereto) and (iii) the daily average aggregate Unpaid Balances of all Principal Receivables over the term of such measuring period. The share of the Servicing Fee allocable to each Series or the Variable Funding Certificate with respect to any date of payment shall be equal to the product of (i) a fraction, the numerator of which is the actual number of days in the measuring period specified in the applicable Supplement and the denominator of which is the actual number of days in the year, (ii) the applicable Servicing Fee Percentage for such Series or the Variable Funding Certificate and (iii) the Issuer Amount or the Invested Amount of such Series, as appropriate, as of the date of determination for such payment as specified in the applicable Supplement. The remainder of the Servicing Fee shall be paid by the Transferor, or retained by the Servicer as provided in Article IV, and in no event shall the Trust, the Trustee or the Investor Certificateholders be liable for the share of the Servicing Fee to be paid by the Transferor. Any Servicing Fees shall be payable to the Servicer solely pursuant to the terms of, and to the extent amounts are available for payment as provided in, Section 4.04 as set forth in the Supplement relating to any Series and Section 4.05 as set forth in the Variable Funding Supplement. In the event a Successor Servicer is appointed pursuant to Section 10.02 hereto, the Servicing Fee with respect to such Successor Servicer shall, unless otherwise agreed, be at least 0.25% per annum of the daily average Unpaid Balances of the Receivables.

The Servicer's expenses include the amounts due to the Trustee pursuant to Section 11.05, the reasonable fees and disbursements of independent accountants, all other expenses incurred by the Servicer in connection with its activities hereunder, and all other fees and expenses of the Trust not expressly stated herein to be for the account of the Certificateholders; provided that in no event shall the Servicer be liable for any federal, state or local income or franchise tax, or any interest or penalties with respect thereto, assessed on the Trust, the Trustee or the Certificateholders except as expressly provided herein. In the event that the Servicer fails to pay the amounts due to the Trustee pursuant to Section 11.05, the Trustee shall be entitled to deduct and re ceive such amounts from the Servicing Fee, prior to the payment thereof to the Servicer. The Servicer shall be required to pay expenses for its own account and shall not be entitled to any payment or reimbursement therefor other than the Servicing Fee.

Section 3.03 Representations, Warranties and Covenants of the Servicer. Ingram, as initial Servicer, and any Successor Servicer by its appointment hereunder, hereby represent and warrant, in the case of the initial Servicer, as of the Initial Closing Date and, with respect to any Series and the Variable Funding Certificate as of the date of any Supplement and the related Closing Date, and in the case of any Successor Servicer, as of the date of its appointment and, with respect to any Series issued after such date, as of the date of the related Supplement and the related Closing Date, in each case unless otherwise stated in such Supplement, and covenant (except that no representation, warranty or covenant is made by any Successor Servicer with respect to paragraphs (l), (o) and (q) below):

(a) Organization and Good Standing. The Servicer is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, and has full corporate power, authority and legal right to execute, deliver and perform its obligations under this Agreement and any Supplement and, in all material respects, to own its property and conduct its business as such properties are presently owned and as such business is presently conducted.

(b) Due Qualification. The Servicer is duly qualified to do business and is in good standing as a foreign corporation (or is exempt from such requirements), and has obtained all necessary licenses and approvals in each jurisdiction in which the failure to obtain such license or approval

would have a material adverse affect upon the Certificateholders or upon the ability of the Servicer to perform its obligations under this Agreement.

(c) Due Authorization. The execution, delivery and performance of this Agreement and any Supplement, and the consummation or the transactions provided in this Agreement and any Supplement, have been duly authorized by the Servicer by all necessary corporate action on the part of the Servicer.

(d) Binding Obligation. Each of this Agreement and any Supplement constitute legal, valid and binding obligations of the Servicer, enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereinafter in effect, relating to the enforcement of creditors' rights in general and, with respect to any Successor Servicer which is a national banking association, the rights of creditors of national banks under United States law and except as such enforceability may be limited by general principles of equity (whether considered in a proceeding at law or in equity).

(e) No Violation. The execution and delivery of this Agreement and any Supplement by the Servicer, and the performance of the transactions contemplated by this Agreement and any Supplement and the fulfillment of the terms hereof applicable to the Servicer, will not conflict with, violate, result in any breach of any of the material terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, or require any consent, approval or registration under, any Requirement of Law applicable to the Servicer or any indenture, contract, agreement, mortgage, deed of trust or other instrument to which the Servicer is a party or by which it is bound.

(f) No Proceeding. There are no proceedings or investigations pending or, to the best knowledge of the Servicer, threatened against the Servicer before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality (i) seeking to prevent the issuance of the Certificates or the consummation of any of the transactions contemplated by this Agreement or any Supplement, (ii) seeking any determination or ruling that, in the reasonable judgment of the Servicer, would materially and adversely affect the performance by the Servicer of its obligations under this Agreement or any Supplement, or (iii) seeking any determination or ruling that would materially and adversely affect the validity or enforceability of this Agreement or any Supplement.

(g) Compliance with Requirements of Law. The Servicer shall duly satisfy all obligations on its part to be fulfilled under or in connection with the Receivables and the Related Security, will maintain in effect all qualifications required under Requirements of Law in order to service properly the Receivables and the Related Security and will comply in all material respects with all Requirements of Law in connection with servicing the Receivables and the Related Security the failure to comply with which would have a material adverse effect on Certificateholders.

(h) No Rescission or Cancellation. The Servicer shall not permit any rescission or cancellation of a Receivable or a Contract except (i) as ordered by a court of competent jurisdiction or other Governmental Authority or (ii) in the ordinary course of its business and in accordance with the Credit and Collection Policy.

(i) Protection of Certificateholders' Rights. Except as contemplated by Section 3.01(d), the Servicer shall take no action which, nor omit to take any action the omission of which, would substantially impair the rights of Certificateholders in any Receivable or the Related Security.

(j) All Consents Required. All approvals, authorizations, consents, orders or other actions of any Person or of any Governmental Authority required in connection with the execution and delivery by the Servicer of this Agreement and any Supplement, the performance by the Servicer of the transactions contemplated by this Agreement and any Supplement and the fulfillment by the Servicer of the terms hereof and thereof, have been obtained; provided, however, that the Servicer makes no representation or warranty regarding state securities or "blue sky" laws in connection with the distribution of the Certificates.

(k) Credit and Collection Policy. The Servicer, (i) except as otherwise permitted in Section 3.01(d), shall not extend, amend or otherwise modify the terms of any Receivable, or amend, modify or waive any term or condition of any Contract related thereto, in any manner which would have a material adverse effect on the interests of the Certificateholders or the Trust, including, but not limited to, extending the due dates, or impairing the collectibility of the Receivables, (ii) if Ingram, shall comply in all material respects with the Credit and Collection Policy in regard to each Receivable and the related Contract, and (iii) if Ingram, shall not without the prior consent of the Required Banks make any change in the Credit and Collection Policy that could reasonably be expected to have a material adverse effect on the collectibility of the Receivables taken as a whole, or the ability of the Servicer to perform its obligations hereunder.

(l) No Change in Ability to Service. With respect to the initial Servicer only, since September 30, 1992, there has been no material adverse change in the ability of the Servicer to service and collect the Receivables and the Related Security.

(m) Modification of Systems. The Servicer agrees, promptly after the replacement or any material modification of any computer, automation or other operating systems (in respect of hardware or software) used to provide the Servicer's services as Servicer or to make any

calculations or reports hereunder, to give notice of any such replacement or modification to the Trustee.

(n) Business Days. No later than December 1 of each year, the Servicer shall furnish the Trustee with a list of days other than Saturday and Sunday, on which the Servicer shall be closed during the immediately succeeding year, except that with respect to the calendar year 1993, the Servicer shall furnish such list to the Trustee on or before the Initial Closing Date.

(o) Payments from Lock-Box Accounts. The Servicer or, if Ingram is no longer the Servicer, Ingram, shall (i) on or prior to the Initial Closing Date, cause each party to a Lock-Box Agreement (other than the Lock-Box Banks parties to such agreements) to direct each Lock-Box Bank to make payments to Lock-Box Accounts maintained in the name of, and under the sole control, dominion and ownership of the Transferor; and (ii) within 30 days after the Initial Closing Date, cause each party to a Lock-Box Agreement, to amend each such Lock-Box Agreement to substitute Funding as the party thereto.

(p) Keeping of Records and Books of Account. The Servicer shall maintain and implement administrative and operating procedures (including, without limitation, the ability to recreate records evidencing the Receivables in the event of the destruction of the originals thereof), and keep and maintain all documents, books, microfiche, computer records and other information reasonably necessary or advisable for the collection of all the Receivables and the Related Security. Such books, microfiche, and computer records shall reflect all facts giving rise to the Receivables and the Related Security, all payments and credits with respect thereto, and the computer records shall be clearly marked to show the interests of the Trust in the Receivables.

(q) Performance and Compliance with Ingram's Contracts. The Servicer shall or, if Ingram is no longer the Servicer, Ingram shall timely and fully perform and comply with all material provisions, cove nants and other promises required to be observed by it under the Contracts related to the Receivables.

(r) No Servicer Default. No Servicer Default has occurred or is continuing.

(s) No Event of Termination. No Event of Termination has occurred or is continuing.

(t) Change in Separate Receivables System. The Servicer, or if Ingram is no longer the Servicer, Ingram, shall maintain separate books and computer coding systems with respect to Receivables generated by the Ingram Book Company division of Ingram and receivables generated by any other division of Ingram.

In the event there is any breach of any of the representations, warranties or covenants of the Servicer contained in Section 3.03(g), (h), (i) or (o) with respect to any Receivable and as a result thereof the rights of the Trust in, to or under any such Receivable or its proceeds are impaired or the proceeds of any such Receivable are not available to the Trust, then upon the expiration of 30 days from the earlier to occur of the discovery of any such event by the Servicer, or receipt by the Servicer of written notice of such event given by the Trustee (such notice to be given within three Business Days of the discovery thereof by a Responsible Officer of the Trustee), the Servicer shall accept the trans fer of all the Receivables as to which such event relates on the terms and conditions set forth below; provided, however, that proceeds shall not be deemed to be impaired hereunder for the sole reason that the proceeds are held by the Servicer for more than the applicable period under Section 9-306(3) of the UCC; provided, further, that no such removal shall be required to be made with respect to a Receivable if, within such 30-day period, such representations, warranties or covenants with respect to such Receivable shall be true and correct or shall have been complied with, in all material respects; and provided, further, that no Successor Servicer shall have any obligation to repurchase any Receivable as a result of any breach of the representations, warranties or covenants set forth in Section 3.03(o). The Servicer or, with respect to Section 3.03(o), if Ingram is not the Servicer, Ingram shall accept the transfer of a Receivable and the Related Security and Collections with respect thereto by making or causing to be made a deposit into the Collection Account in immediately available funds on or prior to the Transfer Date following the expiration of the 30-day period set-forth in this Section in an amount equal to the Transfer Deposit Amount for such Receivables, which deposit shall be allocated in accordance with Section 4.03. Upon each such transfer of a Receivable to the Servicer, the Trustee shall automatically and without further action be deemed to transfer, assign, and set over, and otherwise convey to or upon the order of the Servicer, without recourse, representation or warranty, all right, title and interest of the Trust in and to such Receivable, the Related Security and Collections with respect thereto and all proceeds thereof; and such Receivable shall be treated by the Trustee as collected in full as of the Settlement Period to which such Transfer Deposit Amount relates. The Trustee shall execute such documents and instruments of transfer or assignment as shall be prepared by the Servicer, and shall take such other actions as shall be reasonably requested by the Servicer, to effect the .onveyance of any Receivable pursuant to this Section. The obligation of the Servicer to accept the transfer of any such Receivables, the Related Security and Collections shall constitute the sole remedy respecting any breach of the representations, warranties and covenants set forth in Section 3.03(g), (h), (i) or (o) with respect to such Receivables, the Related Security and Collections available to Certificateholders or the Trustee on behalf of Certificateholders.

Section 3.04 Reports and Records for the Trustee. Bank Account Statements.

(a) Daily Records. Upon reasonable prior notice by the Trustee, the Servicer shall make available at an office of the Servicer selected by the Servicer for inspection by the Trustee or its agent on a Business Day during the Servicer's normal business hours a record setting forth (i) the Collections on each Receivable and (ii) the amount of Receivables for the Business Day preceding the date of the inspection. The Servicer shall, at all times, maintain its computer files with respect to the Receivables in such a manner so that the Receivables may be specifically identified and, upon reasonable prior request of the Trustee, shall make available to the Trustee, at an office of the Servicer selected by the Servicer, on any Business Day during the Servicer's normal business hours any computer programs necessary to make such identification.

(b) Daily Report.

(i) On each Business Day, the Servicer shall prepare, or, if Ingram is not the Servicer, Ingram shall prepare on behalf of the Successor Servicer, a completed Daily Report.

(ii) The Servicer (or if Ingram is not the Servicer, Ingram) shall deliver to the Trustee (with copies to the Depositary and the Collateral Agent if either of such Persons is not also the Trustee) the Daily Report by 10:00 a.m. (New York City time) on each Business Day with respect to activity in the Receivables for the prior Business Day (or, in the case of a Daily Report delivered on the second Business Day following a Saturday, Sunday or other non-Business Day, the aggregate activity for the preceding Business Day and such non-Business Days).

(iii) Upon discovery of any error or receipt of notice of any error in any Daily Report, the Servicer, Ingram (if not the Servicer), the Transferor and the Trustee shall arrange to confer and shall agree upon any adjustments necessary to correct any such errors. Until correction of such error, the Servicer or the Trustee, as the case may be, shall retain all Collections (or such lesser amount as the Trustee and the Servicer shall agree to be necessary to cover any error) in the Collection Account. Unless the Trustee has received written notice of any discrepancy, the Trustee may rely on each Daily Report delivered to it for all purposes hereunder.

(c) Settlement Statement. On each Determination Date, the Servicer shall, or if Ingram is not the Servicer, the Successor Servicer shall with information provided by Ingram, perform the calculations to be made on such Determination Date and reported on the related Settlement Statement and, prior to 10:00 a.m. (New York City time) on the Settlement Date, deliver to the Trustee (with copies to the Depositary and the Collateral Agent if either of such Persons is not also the Trustee), the Rating Agencies and Ingram (if prepared by a Successor Servicer), the Settlement Statement for the related Settlement Period.

Section 3.05 Annual Servicer's Certificate. The Servicer will deliver to the Trustee and the Rating Agencies on or before April 30 of each calendar year, beginning with April 30, 1994, an Officers' Certificate substantially in the form of Exhibit F stating that (a) a review of the activities of the Servicer during the preceding fiscal year of the Servicer (or shorter period from the Initial Closing Date) and of its performance under this Agreement and any Supplement was made under the supervision of the officers signing such certificate and (b) to the best of such officers' knowledge, based on such review, the Servicer has fully performed or has caused to be fully performed all of its obligations under this Agreement and any Supplement throughout such year, or, if there has been a default in the performance of any such obligation, specifying each such default known to such officer and the nature and status thereof. A copy of such certificate may be obtained by any Certificateholder by a request in writing to the Trustee addressed to the Corporate Trust Office.

Section 3.06 Annual Independent Public Accoun-tants' Servicing Report.

(a) On or before April 30 of each calendar year, beginning with April 30, 1994, the Servicer shall cause a firm of nationally recognized independent public accountants (who may also render other services to the Servicer or the Transferor) to furnish a report (which report shall cover the period from January 1 of the prior calendar year to and including December 31 of such calendar year or such shorter period as may have elapsed since the Initial Closing Date to and including December 31, 1993) addressed to the Board of Directors of the Transferor, providing that such report also may be delivered to the Trustee and each Rating Agency, to the effect that they have applied certain procedures agreed upon with the Servicer and examined certain documents and records relating to the servicing of Receivables under this Agreement, and that, based upon such agreed-upon procedures, nothing has come to the attention of such accountants that caused them to believe that the servicing (including, without limitation, the allocation of Collections) has not been conducted in compliance with the terms and conditions set forth in Sections 3.04, 4.02, 4.03, 4.04, 4.06, 4.07 and 12.01 of this Agreement and in compliance with any Supplement, except for such exceptions as they believe to be immaterial and such other exceptions as shall be set forth in such statement. In addition, prior to the delivery of each such report, such accountants shall set forth proposed procedures, subject to the reasonable consent of the Liquidity Agent and the Trustee. A copy of such report may be obtained by any Certificateholder by a request in writing to the Trustee addressed to the Corporate Trust Office.

(b) On or before April 30 of each calendar year, beginning with April 30, 1994, the Servicer shall cause a firm of nationally

recognized independent public accountants (who may also render other services to the Servicer or the Transferor) to furnish a report to the Trustee to the effect that they have compared the mathematical calculations of each amount set forth in the Settlement Statements forwarded by the Servicer pursuant to Section 3.04(c) during the period covered by such report (which shall be the period from January 1 of the prior calendar year to and including December 31 of such calendar year or such shorter period as may have elapsed from the Initial Closing Date to and including December 31, 1993) with the Servicer's computer reports which were the source of such amounts and that on the basis of such comparison, such accountants have found that such amounts are in agreement, except for such exceptions as they believe to be immaterial and such other exceptions as shall be set forth in such statement. The Servicer shall promptly forward a copy of such report to each Rating Agency. A copy of such report may be obtained by any Certificateholder by a request in writing to the Trustee addressed to the Corporate Trust Office.

Section 3.07 [Reserved].

Section 3.08 Notices to the Transferor. The Servicer shall deliver or make available to the Transferor each certificate and report required to be prepared, forwarded or delivered pursuant to Sections 3.04, 3.05 and 3.06.

Section 3.09 Credits. If the Unpaid Balance of any Receivable is adjusted by the Servicer for any Credit, the Transferor Amount with respect to the Business Day following the Business Day on which such adjustment takes place will be reduced by the amount of the adjustment allocable to Principal Receivables. In connection with such reduction, the amount of Principal Receivables used in the denominator in the calculation of the Invested Percentage with respect to any Series and the Issuer Percentage for the Business Day following the Business Day on which such adjustment occurs shall also be reduced. In the event that such adjustment would cause the Transferor Eligible Amount to be less than the Transferor Minimum Amount or would not be permitted by any Requirement of Law, the Transferor shall make or cause to be made by the close of business on the Business Day following the Business Day on which such adjustment occurs a deposit in the Transferor Account in immediately available funds in the Transferor Account Deposit Amount.

Section 3.10 Covenant to Maintain Privileges. The Servicer shall maintain all of its rights, powers and privileges material to the collectibility of the Receivables.

[END OF ARTICLE III]

ARTICLE IV

RIGHTS OF CERTIFICATEHOLDERS AND ALLOCATION AND APPLICATION OF COLLECTIONS

Section 4.01 Rights of Certificateholders. Each Series shall represent an Undivided Interest in the Trust, and the right to receive Collections and other amounts at the times and in the amounts specified in this Article IV to be deposited in the Collection Account or paid to or on behalf of the Investor Certificateholders (the "Investor Interest"). The Variable Funding Certificate shall represent an Undivided Interest in the Trust and the right to receive Collections and other amounts at the times and in the amounts specified in this Article IV to be deposited in the Collection Account or paid to or on behalf of the Holder of the Variable Funding Certifi cate (the "Issuer Interest"). The Transferor Certificate shall represent the remaining interest in the Trust, including the right to receive Collections and other amounts at the times and in the amounts specified in this Article IV to be paid to or on behalf of the Holder of the Transferor Certificate (the "Transferor Interest"); provided, however, that such certificate shall not represent any interest in the Collection Account (except to the extent provided in this Agreement) and neither the Transferor nor the Servicer shall have the right to withdraw funds from the Collection Account or to receive funds on deposit therein except as and when provided by this Agreement.

Section 4.02 Establishment of Collection Account and Transferor Account.

(a) The Collection Account. The Trustee, for the benefit of Certificateholders, including the Holder of the Variable Funding Certificate, shall establish or shall cause to be established and maintained with an Eligible Institution (which may be the Trustee) in the name of the Trustee, on behalf of the Trust, a fully segregated trust account which may be a sub-account of the Collateral Account with the trust department of such institution (the "Collection Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Certificateholders. Except as provided in this Agreement, the Collection Account shall be under the sole dominion and control of the Trustee for the benefit of the Certificateholders. If, at any time, the institution holding the Collection Account ceases to be an Eligible Institution, the Trustee shall within 30 days of a Responsible Officer learning of such event establish a new Collection Account meeting the conditions specified above with an Eligible Institution, transfer any cash and/or any investments to such new Collection Account and from the date such new Collection Account is established, it shall be the "Collection Account". Neither the Transferor nor the Servicer, nor any Person claiming by, through or under the Transferor or Servicer, shall have any right, title or interest in, or any right to withdraw any amount from, the Collection Account except to the extent provided in this Agreement. Pursuant to the authority granted to the the Servicer pursuant to Section 3.01(a), the Servicer shall have the revocable power to instruct the Trustee to make withdrawals and payments from

the Collection Account for the purposes of carrying out the Servicer's duties hereunder.

(b) The Transferor Account. The Trustee, for the benefit of Certificateholders, including the Holder of the Variable Funding Certificate, shall establish or shall cause to be established and maintained with the same Eligible Institution maintaining the Collection Account in accordance with subparagraph (a), in the name of the Trustee, on behalf of the Trust, a fully segregated trust account (which may be a sub-account of the Collateral Account) with the trust department of such institution (the "Transferor Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Certificateholders. Except as provided in this Agreement, the Transferor Account shall be under the sole dominion and control of the Trustee for the benefit of the Certificateholders. If, at any time, the institution holding the Transferor Account ceases to be an Eligible Institution, the Trustee shall, concurrently with the establishment of a new Collection Account in accordance with subparagraph (a), establish a new Transferor Account meeting the conditions specified above with the same Eligible Institution, transfer any cash and/or any investments to such new Transferor Account and from the date such new Transferor Account is established, it shall be the "Transferor Account". Neither the Transferor nor the Servicer, nor any Person claiming by, through or under the Transferor or the Servicer, shall have any right, title or interest in, or any right to withdraw any amount from, the Transferor Account except to the extent provided in this Agreement. Pursuant to the authority granted to the Servicer pursuant to Section 3.01(a), the Servicer shall have the revocable power to instruct the Trustee to make withdrawals and payments from the Transferor Account for the purposes of carrying out the Servicer's duties hereunder. The amount to be deposited in the Transferor Account on any day shall equal the Transferor Account Deposit Amount. All amounts from time to time held in the Transferor Account (other than investment earnings) shall constitute Trust Assets.

(c) Administration of the Collection Account and the Transferor Account. Funds on deposit in the Collection Account (other than investment earnings and amounts deposited pursuant to Sections 2.04(c), 3.03, 9.03 or Article XII) shall at the direction of the Servicer be invested by the Trustee in Permitted Investments that will mature so that such funds will be available prior to the Payment Date following such investment, except that in the case of funds representing Collections with respect to any Settlement Period, such Permitted Investments may mature so that such funds will be available no later than the Business Day prior to the Payment Date for such Settlement Period. Funds on deposit in the Transferor Account shall at the direction of the Servicer be invested by the Trustee in Permitted Investments that will mature so that such funds will be available prior to the date on which the Transferor is expected to be entitled to the release of such amounts in accordance with Section 4.03(b)(vii), provided, that once invested, such amounts may not be released pursuant to Section 4.03(b)(vii) or otherwise until such Permitted Invest ments mature. Any funds on deposit in the Collection Account or the Transferor Account to be so invested shall be invested solely in Permitted Investments. Any request by the Servicer to invest funds on deposit in the Collection Account or the Transferor Account shall be in writing and shall certify that the funds requested to be invested may be so invested pursuant to the terms hereof, and that the requested investment is a Permitted Investment which matures at or prior to the time required hereby. The Trustee shall maintain possession of the negotiable instruments or securities, if any, evidencing the Permitted Investments described in clause (a) of the definition thereof from the time of purchase thereof until maturity. All interest and earnings (net of losses and investment expenses) on funds on deposit in the Collection Account or the Transferor Account shall be paid by the Trustee to the Transferor on each Payment Date. Neither the Transferor nor the Servicer shall deposit any of their funds in the Collection Account at any time except for funds unconditionally required to be paid on account of the purchase price of Certificates or the Transfer Deposit Amount of Reconveyed Receivables pursuant to this Agreement; provided, however that the Transferor shall be permitted to make a cash contribution to the Trust to repay the Variable Funding Certificate or any Series to the extent permitted by the terms of the related Supplement, including under Section 12.02, in connection with which the Issuer Amount or applicable Invested Amount, as the case may be, shall be reduced and the Transferor Amount shall be increased accordingly.

(d) Identification of Collection Account and Transferor Account. Schedule 1, which is hereby incorporated into and made part of this Agreement, identifies the Collection Account and the Transferor Account by setting forth the account number of each such account, the account designation of each such account and the name and location of the institution with which each such account has been established.

Section 4.03 Collections and Allocations.

(a) Collections. The Servicer will allocate, pay or deposit all Collections with respect to the Receivables (all of which Collections, subject to Section 4.09, shall be deemed to relate to, and to be received with respect to, Adjusted Eligible Receivables) for each Business Day as described in this Article IV. No later than the second Business Day following the receipt of any Collections in a Lock Box Account, the Servicer shall deposit such Collections into the Collection Account and shall allocate or pay such Collections as indicated in Section 4.03(b).

(b) Payments and Allocations. On each Business Day, the Servicer shall allocate the aggregate amount of Collections available in the Collection Account on such Business Day and not previously allocated hereunder (x) to the extent of the product of the total amount of such Collections and the Discount Factor on such Business Day to Imputed Yield

(the "Imputed Yield Collections") and (y) to the extent of the total amount of such Collections minus the amount described in clause (x) to Principal Receivables (the "Principal Collections"). On each Business Day, the Servicer shall determine with respect to each Series and the Variable Funding Certificate whether an Amortization Period has commenced on or prior to such Business Day, and based upon such determination, shall determine the amounts or percentages of the Collections to be withdrawn from the Collection Account on such Business Day and shall pay or allocate such Collections to or among each Series, the Variable Funding Certificate and the Transferor Certificate as provided below.

(i) For any Series in its Non-Amortization Period:

(A) Allocate to each such Series an amount equal to the product of (1) the Invested Percentage for such Series and (2) the Imputed Yield Collections for such Business Day.

(B) Allocate and pay to the Holder of the Transferor Certificate an amount equal to the product of (1) the Invested Percentage for such Series and (2) the Principal Collections for such Business Day.

(ii) For any Series in its Amortization Period:

(A) Allocate to each such Series an amount equal to the product of (1) the Invested Percentage for such Series and (2) the Imputed Yield Collections for such Business Day.

(B) Allocate to each such Series an amount equal to the product of (1) the Invested Percentage for such Series and (2) the Principal Collections for such Business Day.

(iii) For the Variable Funding Certificate in its Non-Amortization Period:

(A) Allocate to the Variable Funding Certificate an amount equal to the product of (1) the Issuer Percentage and (2) the Imputed Yield Collections for such Business Day.

(B) Allocate the product of (1) the Issuer Percentage and (2) the Principal Collections for such Business Day to the Variable Funding Certificate and apply such product in the manner set forth in the Variable Funding Supplement.

(iv) For the Variable Funding Certificate in its Amortization Period:

(A) Allocate to the Variable Funding Certificate an amount equal to the product of (1) the Issuer Percentage and (2) the aggregate amount of Imputed Yield Collections for such Business Day.

(B) Allocate to the Variable Funding Certificate the product of (1) the Issuer Percentage and (2) the Principal Collections for such Business Day.

(v) For the Transferor Certificate throughout the existence of the Trust: allocate and pay to the Holder of the Transferor Certificate an amount equal to the product of (A) the Transferor Percentage on such Business Day and (B) the aggregate amount of Imputed Yield Collections and Principal Collections for such Business Day; provided, however, that the Servicer shall retain from such amounts on each Business Day an amount equal to the portion of the Servicing Fee to be paid by the Transferor accrued to such Business Day and not previously paid to or retained by the Servicer.

(vi) Unallocated Collections: If, as of any day on which Collections are allocated, paid or deposited:

(A) pursuant to Section 4.03(b)(ii)(B), the payment or allocation of Principal Collections with respect to any Series would cause such Series (a "Retired Series") to be paid in full, or

(B) pursuant to Sections 4.03(b)(ili)(B), 4.03(b)(v) or 4.03(b)(iv)(B), the allocation of Principal Collections to the Holder of the Transferor Certificate or the Holder of the Variable Funding Certificate, respectively, would cause the Transferor Eligible Amount to be less than the Transferor Minimum Amount or the Issuer Amount to be less than zero, after taking into account the increase in the Transferor Amount or the Issuer Amount resulting from the transfer of any new Receivables to the Trust as of such day (any such Collections to the extent applied to reduce any Invested Amount or the Issuer Amount to zero or the Transferor Eligible Amount to the Transferor Minimum Amount being referred to as "Allocated Collections"), then any Imputed Yield Collections or Principal Collections allocated to a Retired Series or to the Holder of the Transferor Certificate or the Holder of the Variable Funding Certificate in excess of Allocated Collections ("Unallocated Collections") shall be reallocated among all Series, other than the Retired Series, if any, unless only one Series would be affected thereby and then only to that Series (pursuant to Section 4.03(b)(ii)), and the Variable Funding Certificate if the Issuer Amount is greater than zero (pursuant to Sections 4.03(b)(iii) and (iv)) (any such reallocation, an "Excess Amount Allocation," and any such Series or the Variable Funding Certificate, for this purpose only, an "Outstanding Series"); provided, however, that such reallocation of Unallocated Collections may only be made to the extent permitted under the related Supplement, and, to the extent not permitted under the related Supplement, shall be held in the

Transferor Account in an amount not in excess of the Transferor Account Deposit Amount. Any Excess Amount Allocation shall be performed assuming that (a) the characterization of Unallocated Collections as either Principal Collections or Imputed Yield Collections shall not be altered, (b) the Invested Percentages with respect to any Outstanding Series and the Issuer Percentage shall be recalculated assuming that the Retired Series has been retired and that only the Outstanding Series are outstanding, (c) Allocated Collections have been paid to the Holders of the Retired Series, the Holder of the Transferor Certificate or the Holder of the Variable Funding Certificate, as the case may be, and (d) if Allocated Collections cause an Event of Termination to occur, Unallocated Collections shall be allocated as if such Event of Termination has occurred.

(vii) Transferor Account: Allocate and pay, with respect to each Series, the Variable Funding Certificate and the Transferor Certificate in accordance with subsection (b) of this Section 4.03, as Principal Collections or Imputed Yield Collections, as applicable, amounts held in the Transferor Account to the extent the Transferor Eligible Amount exceeds the Transferor Minimum Amount.

Section 4.04 Payments of Imputed Yield Collections to Investor Certificateholders. Payments of Imputed Yield Collections to Investor Certificateholders shall be made in the manner set forth in the related Supplement.

Section 4.05 Payments of Imputed Yield Collections with Respect to the Variable Funding Certificate. Payments of Imputed Yield Collections with respect to the Variable Funding Certificate shall be made in the manner set forth in the Variable Funding Supplement.

Section 4.06 Payment of Principal Collections. With respect to each Series, unless otherwise specified in the related Supplement:

(a) Commencing on the Determination Date for the Payment Date relating to the Settlement Period in which the Amortization Period with respect to such Series of Investor Certificates begins, and on each Determination Date with respect to such Series thereafter until the end of such Amortization Period, the Servicer shall instruct the Trustee in writing to withdraw, and on each related Transfer Date the Trustee shall in accordance with such instructions withdraw, from the Collection Account the amount allocated to such Series pursuant to Section 4.03(b)(ii)(B) in respect of the preceding Settlement Period and on the related Transfer Date the Trustee shall pay such amounts to the Paying Agent. On each Payment Date, the Paying Agent shall distribute such amount to the Certificateholders of such Series (referred to herein as "Amortization").

(b) Payments of Principal Collections with respect to the Variable Funding Certificate shall be made in the manner set forth in the Variable Funding Supplement.

Section 4.07 Defaulted Receivables. (a) On each day specified in the Supplement related to any Series, the Servicer shall calculate the Investor Default Amount and Investor Charge-Offs with respect to the related Series, and the Invested Amount of such Series shall be reduced by the applicable Investor Charge-Offs.

(b) On each day specified in the Variable Funding Supplement, the Servicer shall calculate the Issuer Default Amount, Issuer Charge-Offs, Defaulted Amount and Issuer Default Deficiency Amount, and the Issuer Amount shall be reduced by the Issuer Charge-Offs.

Section 4.08 [Reserved].

Section 4.09 Removal of Funds from Lock-Box Accounts. In the event that the Trustee shall have received amounts in respect of payments made by any Person on an account receivable or other obligation which has not been transferred to the Trust or has been reconveyed therefrom to the Transferor, the Trustee shall, as soon as practicable and as instructed in the most recently delivered Daily Report or Settlement Statement, forward such amounts, in the manner specified in writing by Ingram, to Ingram or such other Person as Ingram designates and, pending the forwarding of such amounts, hold such amounts in trust for Ingram or such other Person designated by Ingram. The Trustee will, if requested in writing by Ingram, acknowledge and confirm the foregoing to any Person designated by Ingram. In the absence of such instructions, all Collections shall be deemed to relate to, and be received with respect to, Adjusted Eligible Receivables. If, at any time, the Servicer has the ability to identify and segregate Collections relating to Receivables other than Adjusted Eligible Receivables, the Servicer shall have the right to withhold or withdraw such Collections from the Collection Account; provided that each Rating Agency confirms in writing that the adoption of such servicing procedures will not result in such Rating Agency reducing or withdrawing its rating on any outstanding Series or the Commercial Paper.

[END OF ARTICLE IV]

ARTICLE V

DISTRIBUTIONS AND REPORTS TO CERTIFICATEHOLDERS

Section 5.01 Distributions. On each Payment Date, the Paying Agent shall distribute (in accordance with the Settlement Statement delivered by the Servicer to the Trustee on the preceding Determination Date pursuant to

Section 3.04(c)) (i) to the Holder of the Variable Funding Certificate the amount on deposit in the Collection Account and payable to the Holder of the Variable Funding Certificate pursuant to Sections 4.05 and 4.06(b), and (ii) to each Investor Certificateholder of record of any Series on the preceding Record Date (other than as provided in Section 2.04(d) or in Section 12.03(b) hereof respecting a final distribution) such Certificateholder's pro rata share (based on the aggregate Undivided Interests represented by Investor Certificates of such Series held by such Certificateholders of amounts on deposit in the Collection Account as are payable to the Investor Certificateholders of such Series pursuant to Sections 4.04 and 4.06(a). Such distribution shall be made by check mailed to each Certificateholder or, if so stated in any Supplement, by wire transfer to each Certificateholder so qualified as stated therein, except that if all Investor Certificates are registered in the name of CEDE & Co., the nominee registrar for The Depository Trust Company, such distribution to Investor Certificateholders shall be made in immediately available funds to The Depository Trust Company. All payments on account of principal and interest to Certificateholders shall be made from amounts on deposit in the Collection Account.

Section 5.02 Monthly Investor Certificateholders' Statement; Annual Tax Statement.

(a) On the day of each calendar month specified in the related Supplement, the Paying Agent shall forward to each Investor Certificateholder of each Series a statement relating to such Series prepared by the Servicer substantially in the form of the "Monthly Investor Certificateholder's Statement" attached to the applicable Supplement.

(b) Annual Certificateholders' Tax Statement. On or before April 30 of each calendar year, beginning with calendar year 1994, the Servicer shall deliver to the Paying Agent, which shall thereupon furnish to each Person who at any time during the preceding calendar year was a Certificateholder, a statement prepared by the Servicer containing the information which is required to be contained in the regular monthly report to Investor Certificateholders or the Holder of the Variable Funding Certificate, as the case may be, as set forth in Section 5.02(a), aggregated for such calendar year or the applicable portion thereof during which such Person was a Certificateholder, together with such other information as is required to be provided by an issuer of indebted ness under the Code and such other customary information as the Servicer deems necessary or desirable to enable the Certificateholders to prepare their tax returns. Such obligation of the Paying Agent shall be deemed to have been satisfied to the extent that substantially comparable information shall be provided by the Paying Agent pursuant to this Agreement or to any requirements of the Code as from time to time in effect.

[END OF ARTICLE V]

ARTICLE VI
THE CERTIFICATES

Section 6.01 The Certificates. The Investor Certificates of each Series, the Variable Funding Certificate and the Transferor Certificate shall be substantially in the form of Exhibits A, B and C, respectively, hereto (with such changes as may be specified in the relevant Supplement) and shall, upon issuance pursuant hereto or to Section 6.09, be executed and delivered by the Transferor to the Trustee for authentication and redelivery as provided in Section 6.02. Investor Certificates shall be issued in the minimum denominations indicated in the related Supplement; provided that unless and until the Transferor delivers to the Trustee an Opinion of Counsel addressed to the Trustee to the effect that the Trust is not an "investment company" as defined in the Investment Company Act of 1940, as amended, no Series of Certificates shall be issued and no Certificate of a Series shall be sold or transferred, unless at the time of such issuance, sale or transfer the Transferor shall deliver to the Trustee an Officer's Certificate certifying to the Trustee that such issuance, sale or transfer will not cause the aggregate number of "beneficial owners" (as defined in Section 3 of the Investment Company Act of 1940, as amended) of the Certificates of such Series and all outstanding Series to exceed 97 or such lower number as the Transferor may determine (and shall notify the Trustee in writing with respect thereto). For purposes of this Section 6.01, the Transferor shall determine the number of "beneficial owners" of a Series and of all outstanding Series by dividing the Initial Invested Amount of such Series by the minimum denomination with respect to such Series and adding the results of each such calculation. The Variable Funding Certificate and the Transferor Certificate shall each initially be issued in one certificate to the CP Issuer and to the Transferor, respectively. Each Certificate shall be executed by manual or facsimile signature on behalf of the Transferor by any of its Chairman of the Board, its Vice Chairman of the Board, its President or any Vice President. Certificates bearing the manual or facsimile signature of the individual who was, at the time when such signature was affixed, authorized to sign on behalf of the Transferor or the Trustee shall not be rendered invalid, notwithstanding that such individual has ceased to be so authorized prior to the authentication and delivery of such Certificates or does not hold such office at the date of such Certificates. No Certificate shall be entitled to any benefit under this Agreement or any applicable Supplement, or be valid for any purpose, unless there appears on such Certificate a certificate of authentication substantially in the form provided for herein executed by or on behalf of the Trustee by the manual signature of a duly authorized signatory, and such certificate upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly authenticated and delivered hereunder. All Certificates shall be dated the date of their authentication.

Section 6.02 Authentication of Certificates. Contemporaneously with the

assignment and transfer of the Receivables, whether now existing or hereafter created, and the other Trust Assets to the Trust, the Trustee shall authenticate and deliver the Transferor Certificate to the Transferor and, upon the execution of any Supplement and the satisfaction of the conditions provided in Section 6.09, shall authenticate and deliver the Series of Investor Certificates or the Variable Funding Certificate to be issued thereunder as provided in Section 6.09. The Certificates of each Series shall be duly authenticated by or on behalf of the Trustee as provided for herein and in the applicable Supplement, in authorized denominations equal to (in the aggregate) the Initial Invested Amount of such Series specified in such Supplement. As provided in any Supplement, Investor Certificates of any Series may be issued and sold pursuant to an effective registration statement under the Securities Act, or pursuant to an exemption therefrom. In such former case, such Series of Certificates may be delivered in book-entry form as provided in Sections 6.11 through 6.13 and, in the latter case, may not be so delivered. Further, if any such Series is sold pursuant to an exemption from registration under the Securities Act pursuant to Section 4(2) of the Securities Act or its substantial equivalent (the "Private Placement Exemption") as stated in the applicable Supplement, the Certificates of such Series may only be transferred as provided in Section 6.03(e).

Section 6.03 Registration of Transfer and Exchange of Certificates.

(a) The Trustee shall cause to be kept at the office or agency to be maintained by a transfer agent and registrar (which may be the Trustee) (the "Transfer Agent and Registrar") in accordance with the provisions of subsection 6.03(c) a register (the "Certificate Register") in which, subject to such reasonable regulations as it may prescribe, the Transfer Agent and Registrar shall provide for the registration of each Series of the Investor Certificates, the Transferor Certificate and the Variable Funding Certificate and of transfers and exchanges of such Certificates as herein provided. The Trustee is hereby initially appointed Transfer Agent and Registrar for the purpose of registering each Series of Investor Certificates, the Transferor Certificate and the Variable Funding Certificate and of registering transfers and exchanges of the Investor Certificates, the Transferor Certificate and the Variable Funding Certificate as herein provided. The Trustee shall be permitted to resign as Transfer Agent and Registrar upon 30 days' written notice to the Transferor and the Servicer; provided, however, that such resignation shall not be effective and the Trustee shall continue to perform its duties as Transfer Agent and Registrar until the Servicer has appointed a successor Transfer Agent and Registrar acceptable to the Transferor. The Trustee shall initially register the Transferor Certificate in the name of the Transferor and the Variable Funding Certificate in the name of the CP Issuer.

Upon surrender for registration of transfer of any Investor Certificate of a Series at any office or agency of the Transfer Agent and Registrar maintained for such purpose, the Transferor shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Investor Certificates of such Series in authorized denominations of like aggregate Undivided Interests in the Trust; provided, however, that any Investor Certificate of any Series sold pursuant to the Private Placement Exemption shall satisfy the conditions provided in Section 6.03(e) prior to such registration of transfer.

At the option of an Investor Certificateholder, Investor Certificates of a Series may be exchanged for other Investor Certificates of such Series of authorized denominations of like aggregate Undivided Interests in the Trust, upon surrender of the Investor Certificates to be exchanged at any office or agency of the Transfer Agent and Registrar maintained for such purpose. Whenever any Investor Certificates are so surrendered for exchange, the Transferor shall execute, and the Trustee shall authenticate and deliver, the Investor Certificates which the Investor Certificateholder making the exchange is entitled to receive. Every Investor Certificate presented or surrendered for registration of transfer or exchange shall be accompanied by a written instrument of transfer in a form satisfactory to the Trustee and the Transfer Agent and Registrar duly executed by the Certificateholder thereof or his attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of Investor Certificates, but the Transfer Agent and Registrar may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer or exchange of Investor Certificates.

All Investor Certificates surrendered for registration of transfer or exchange shall be cancelled by the Transfer Agent and Registrar and disposed of in a manner satisfactory to the Trustee.

(b) It is the understanding of the parties to this Agreement that Ingram has particular expertise in performing the functions given by this Agreement to the Servicer and that the Certificateholders will be purchasing the Certificates relying on Ingram's exercising such expertise in performing such functions. Except as provided in Sections 6.09, 6.10 and 7.02 hereof, neither the Transferor Certificate nor any interest represented thereby shall be sold, transferred, assigned, exchanged, participated, pledged or otherwise conveyed unless such sale, transfer, assignment, exchange, participation, pledge or conveyance would not reduce the Transferor Eligible Amount below the Transferor Minimum Amount and the Trustee shall have received (i) an Opinion of Counsel addressed to the Trustee to the effect that such transfer will not adversely affect the status of any Series of Investor Certificates or the Variable Funding Certificate as debt for Federal and applicable state income tax purposes and (ii) the written consent of (A) the Holder of the Variable Funding Certificate and (B) Investor Certificateholders having Undivided Interests aggregating more than 50% of the Aggregate Invested Amount.

(c) Notwithstanding anything herein to the contrary, except for

a pledge to one or more financial institutions (or a collateral agent acting on their behalf) providing liquidity or credit support for the Commercial Paper as described in the Variable Funding Supplement (which pledge, or the exercise by the pledger of its remedies pursuant thereto, shall not be required to meet the conditions set forth in clauses (i) or (ii) below), the Variable Funding Certificate may not be transferred, assigned, exchanged, pledged or otherwise conveyed unless (i) the Trustee shall have received an Opinion of Counsel addressed to the Trustee to the effect that the Certificates and the Commercial Paper shall continue to be treated as debt for Federal income tax purposes, (ii) the Transferor has given its written consent to such transfer, assignment, exchange, pledge or other conveyance and (iii) each Rating Agency confirms that such transfer, assignment, exchange, pledge or other conveyance will not result in such Rating Agency reducing or withdrawing its rating on the Commercial Paper. Notwithstanding anything herein to the contrary, the Trustee shall not exchange the Variable Funding Certificate for another Variable Funding Certificate of like aggregate Undivided Interest in the Trust or register any transfer of the Variable Funding Certificate except upon receipt of written instructions from the Transferor to effect such exchange or registration of transfer upon receipt by the Transferor of reasonable assurances that such proposed exchange or transfer complies with the provisions of the Securities Act.

(d) The Transfer Agent and Registrar will maintain at its expense in the Borough of Manhattan, the City of New York, an office or offices or agency or agencies where Certificates may be surrendered for registration of transfer or exchange.

(e) Until such time as the Trustee shall receive an Officer's Certificate of the Transferor certifying that a Series of Investor Certificates has been registered under the Securities Act and qualified under all applicable state securities laws, neither the Trustee nor the Transfer Agent and Registrar shall register a transfer of any Investor Certificates of such Series or any interest therein unless such transfer is to be made in a transaction that does not require such registration or qualification. Until such time as such Series of Investor Certificates shall be registered pursuant to a registration statement filed under the Securities Act, such Series of Investor Certificates shall bear a legend to the effect set forth in the preceding sentence. In the event that registration of a transfer is to be made in reliance upon an exemption of the transfer from the Securities Act, the Trustee shall require, in order to assure compliance with the Securities Act and the Investment Company Act of 1940, as amended, the transferee to deliver to the Trustee and the Transferor an Opinion of Counsel reasonably satisfactory to the Transferor and the Trustee that such transfer may be made pursuant to an exemption from the Securities Act and applicable state securities laws and would not subject the Trust to the registration requirements of the Investment Company Act of 1940, as amended. Any such Opinion of Counsel shall be obtained at the expense of the prospective transferor or transferee, and not at the expense of the Trustee or the Transferor, and shall be delivered to the Trustee and the Transferor prior to or contemporaneously with any such transfer. Neither the Transferor nor the Trustee shall be obligated to register any Series of Investor Certificates under any state securities laws or under the Securities Act or to take any other action not otherwise required under this Agreement to permit the transfer of such Series without registration. -

Notwithstanding anything to the contrary contained herein, in no event shall an Investor Certificate of any Series which is either (a) not sold pursuant to an effective registration statement under the Securities Act or (b) so sold but not intended to be sold to more than 100 Persons, as evidenced by disclosure in the disclosure document with respect thereto or any interest therein, be transferred to an employee benefit plan, trust or account subject to ERISA, or described in Section 4975(e)(1) of the Code. Each Holder of an Investor Certificate of any such Series, by its acceptance thereof, represents and warrants that it is not (i) an employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to the provisions of Title I of ERISA, (ii) a plan described in Section 4975(e)(1) of the Code or (iii) an entity which is using assets to purchase such Investor Certificate which constitute plan assets by reason of a plan's investment in such Holder.

Section 6.04 Mutilated, Destroyed, Lost or Stolen Certificates. If (a) any mutilated Certificate is surrendered to the Transfer Agent and Registrar, or the Transfer Agent and Registrar receives evidence to its satisfaction of the destruction, loss or theft of any such Certificate and (b) there is delivered to the Transfer Agent and Registrar, the Trustee and the Transferor such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Trustee that such Certificate has been acquired by a bona fide purchaser, the Transferor shall execute and the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Certificate, a new Certificate of like tenor and aggregate Undivided Interest, if applicable. In connection with the issuance of any new Certificate under this Section 6.04, the Trustee or the Transfer Agent and Registrar may require the payment by the Certificateholder of a sum sufficient to cover any tax or other expenses (including the fees and expenses of the Trustee and Transfer Agent and Registrar) connected therewith. Any duplicate Certificate issued pursuant to this Section 6.04 shall constitute complete and indefeasible evidence of ownership in the Trust, as if originally issued, whether or not the lost, stolen or destroyed Certificate shall be found at any time.

Section 6.05 Persons Deemed Owners. Prior to due presentation of a Certificate for registration of transfer, the Trustee, the Paying Agent, the Transfer Agent and Registrar and any agent of any of them may treat the Person in whose name any Certificate is registered as the owner of such Certificate for the purpose of receiving distributions pursuant to Section 5.01 and for all other purposes whatsoever, and neither the Trustee, the Paying Agent, the

Transfer Agent and Registrar nor any agent of any of them shall be affected by any notice to the contrary; provided, however, that in determining whether the Holders of the requisite Undivided Interests have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Certificates owned by the Transferor, the Servicer or any affiliate (as defined in Rule 405 under the Securities Act) thereof, shall be disregarded and deemed not to be outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Certificates which a Responsible Officer of the Trustee knows to be so owned shall be so disregarded. Certificates so owned which have been pledged in good faith shall not be disregarded and may be regarded as outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Certificates and that the pledgee is not the Transferor, the Servicer or an affiliate (as defined above) thereof.

Section 6.06 Appointment of Paying Agent. The Paying Agent shall (i) have a rating of at least A by Fitch and (ii) have a rating of at least A by Standard & Poor's or, (iii) if not so rated in (i) and/or (ii), Fitch and/or S&P, as applicable, shall confirm in writing that the lack of such rating(s) will not result in such Rating Agency reducing or withdrawing its respective rating on any outstanding Series or on the Commercial Paper, and, in any case, shall be a depositary institution organized under the laws of the United States or any one of the states thereof, including the District of Columbia. The Paying Agent shall make distributions to Certificateholders from the Collection Account pursuant to Section 5.01. Any Paying Agent shall have the revocable power to withdraw funds from the Collection Account for the purpose of making distributions referred to above. The Trustee may revoke such power and remove any Paying Agent if the Trustee determines in its sole discretion that the Paying Agent shall have failed to perform its obligations under this Agreement in any material respect. The Paying Agent shall initially be the Trustee. The Paying Agent shall be permitted to resign as Paying Agent upon 30 days' written notice to the Trustee, the Servicer and the Transferor; provided, however, that such resignation shall not be effective and the Paying Agent shall continue to perform its duties until the Trustee has appointed, and such appointment has been accepted by, a successor Paying Agent. The Trustee shall cause the resigning Paying Agent and each successor Paying Agent to execute and deliver to the Trustee an instrument in which such resigning or successor Paying Agent or additional Paying Agent shall agree with the Trustee that, as Paying Agent, such resigning or successor Paying Agent or additional Paying Agent will hold all sums, if any, held by it for payment to the Certificateholders in trust for the benefit of the Certificateholders entitled thereto until such sums shall be paid to such Certificateholders. The Paying Agent shall return all unclaimed funds to the Trustee and upon removal shall also return all funds in its possession to the Trustee. The provisions of Sections 11.01, 11.02 and 11.03 shall apply to the Trustee in its role as Paying Agent.

Section 6.07 Access to List of Certificateholders' Names and Addresses. The Trustee shall furnish or instruct the Transfer Agent and Registrar to furnish to the Servicer or the Paying Agent, within five Business Days after receipt by the Trustee of a request therefor from the Servicer or the Paying Agent, respectively, in writing, a list in such form as the Servicer or the Paying Agent may reasonably require, of the names and addresses of the Certificateholders. If three or more Holders of Investor Certificates of any Series or holders representing Undivided Interests in the Trust aggregating not less than 5% of the Invested Amount of the Investor Certificates of any Series (the "Applicants") apply in writing to the Trustee, and such application states that the Applicants desire to communicate with other Investor Certificateholders of any Series with respect to their rights under this Agreement or under the Investor Certificates and is accompanied by a copy of the communication which such Applicants propose to transmit, then the Trustee, after having been indemnified to its satisfaction by such Applicants for its costs and expenses, shall afford or shall instruct the Transfer Agent and Registrar to afford such Applicants access during normal business hours to the most recent list of Certificateholders held by the Trustee, within five Business Days after the receipt of such application. Such list shall be as of a date no more than 30 days prior to the date of receipt of such Applicants' request. Every Certificateholder agrees with the Trustee that neither the Trustee, the Transfer Agent and Registrar, nor any of their respective agents shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Certificateholders hereunder, regardless of the sources from which such information was derived.

Section 6.08 Authenticating Agent.

(a) The Trustee may appoint one or more authenticating agents with respect to the Certificates which shall be authorized to act on behalf of the Trustee in authenticating the Certificates in connection with the issuance, delivery, registration of transfer, exchange or repayment of the Certificates. Whenever reference is made in this Agreement to the authentication of Certificates by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication on behalf of the Trustee by an authenticating agent and a certificate of authentication executed on behalf of the Trustee by an authenticating agent. Each authenticating agent must be acceptable to the Transferor.

(b) Any institution succeeding to all or substantially all of the corporate agency business of an authenticating agent shall continue to be an authenticating agent without the execution or filing of any paper or any further act on the part of the Trustee or such authenticating agent.

(c) An authenticating agent may at any time resign by giving written notice of resignation to the Trustee and to the Transferor. The

Trustee may at any time terminate the agency of an authenticating agent by giving notice of termination to such authenticating agent and to the Transferor. Upon receiving such a notice of resignation or upon such a termination, or in case at any time an authenticating agent shall cease to be acceptable to the Trustee or the Transferor, the Trustee promptly may appoint a successor authenticating agent. Any successor authenticating agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an authenticating agent. No successor authenticating agent shall be appointed unless acceptable to the Trustee and the Transferor.

(d) The Servicer agrees to pay, on behalf of the Trust, to each authenticating agent from time to time reasonable compensation for its services under this Section 6.08.

(e) The provisions of Sections 11.01, 11.02 and 11.03 shall be applicable to any authenticating agent.

(f) Pursuant to an appointment made under this Section 6.08, the Certificates may have endorsed thereon, in lieu of the Trustee's certificate of authentication, an alternate certificate of authentication in substantially the following form:

This is one of the Certificates described in the Pooling and Servicing Agreement.

Chemical Bank, as Trustee

by

_____
as Authenticating Agent
for the Trustee,

by

_____
Authorized Officer

Section 6.09 Delivery of Additional Series of Investor Certificates or the Variable Funding Certificate.

(a) Upon delivery to the Trustee of an Officer's Certificate of the Transferor (a) requesting the authentication of a new Series of Investor Certificates or requesting the authentication of the Variable Funding Certificate and (b) stating the date upon which such Series or the Variable Funding Certificate is to be issued (such date, the "Issuance Date" and such notice, the "Issuance Notice") and certifying the satisfaction of the conditions stated in this Section and Section 6.01, the Trustee shall, subject to Section 6.09(b), authenticate pursuant to Section 6.02 and deliver to or upon the order of the Transferor on such Issuance Date such new Series of Investor Certificates or the Variable Funding Certificate; provided, however, that each Rating Agency shall have confirmed in writing that the issuance of such new Series of Investor Certificates will not result in such Rating Agency reducing or withdrawing its rating on any outstanding Series or on the Commercial Paper. Any such Series of Investor Certificates shall be substantially in the form of Exhibit A hereto and shall bear, upon its face, the designation for such Series to which it belongs so selected by the Transferor and set forth in the related Supplement. The Variable Funding Certificate shall be in substantially the form of Exhibit B hereto. Unless otherwise specified in the related Supplement, the Investor Certificates of any Series and the Variable Funding Certificate shall be issued in definitive physical form (and not as Book-Entry Certificates). All Investor Certificates of any Series shall be identical in all respects except for the denominations thereof and shall be equally and ratably entitled among themselves and with the Variable Funding Certificate as provided herein to the benefits of this Agreement and any Supplement thereof without preference, priority or distinction on account of the actual time or times of authentication and delivery, all in accordance with the terms and provisions of this Agreement and such Supplement. No new Series of Investor Certificates issued pursuant to the provisions of this Section shall adversely affect the method of allocating Imputed Yield Collections or Principal Collections of any other Series of Certificates or the Variable Funding Certificate for any period over which such Series or the Variable Funding Certificate shall be outstanding.

(b) On the Issuance Date, the Trustee shall authenticate and deliver any such new Series or the Variable Funding Certificate upon delivery to it of the following: (i) a Supplement substantially in the form of Exhibit D and in form reasonably satisfactory to the Trustee executed by the Transferor and the Servicer and specifying the items provided in Section 6.09(c) (the "Principal Terms"), (ii) an Opinion of Counsel to the effect that the newly issued Series or the Variable Funding Certificate, as the case may be, will be treated as debt or as a partnership interest for Federal and applicable state income tax purposes under existing law and will not adversely affect the status of any Series of Investor Certificates or the Variable Funding Certificate as debt for Federal and applicable state income tax purposes, (iii) written confirmation from each Rating Agency that the issuance of such new Series or the Variable Funding Certificate, as the case may be, will not result in the Rating Agency's reducing or withdrawing its rating on any then outstanding Series rated by it or would result in the Rating Agency's reducing or withdrawing its rating on the Commercial Paper, and (iv) such other closing documents, certificates and Opinions of Counsel as may be required by the applicable Supplement. Notwithstanding the foregoing, the Trustee shall not authenticate and deliver any new Series hereunder unless it also receives on or prior to the Issuance Date, an Officer's Certificate

of the Transferor stating: (a) the size of the Transferor Amount prior to such issuance, (b) the Initial Invested Amount of the new Series or Initial Issuer Amount in the case of the issuance of the Variable Funding Certificate, which shall be less than the amount given in clause (a), and (c) the size of the Transferor Amount after giving effect to such issuance.

(c) The Principal Terms of any Series or the Variable Funding Certificate shall consist of: (i) with respect to any Series, the name or designation of the Series, (ii) the Initial Invested Amount thereof or the Initial Issuer Amount, in the case of the issuance of the Variable Funding Certificate, (iii) the Certificate Rate of such Series (or the formula for the determination thereof, which may provide that such rate is a floating rate) in the case of the issuance of a Series of Investor Certificates, (iv) the method of allocating Collections with respect to Principal Receivables for such Series or the Variable Funding Certificate, as the case may be, (v) the Servicing Fee Percentage for such Series or the Variable Funding Certificate, as the case may be, (vi) the Series Termination Date, (vii) the Repurchase Terms, if any, and (viii) with respect to any Series or the Variable Funding Certificate, the scheduled Amortization Period Commencement Date.

(d) Any Supplement relating to an additional Series or the Variable Funding Certificate may define or make provision with respect to the Series or the Variable Funding Certificate to be issued pursuant thereto for: (i) a new Applicable Minimum Percentage, (ii) a new Minimum Aggregate Principal Receivables, (iii) the establishment of one or more accounts held at an Eligible Institution for holding Collections on the Receivables as specified in the Supplement or for other purposes specified therein, (iv) the deposit of funds into any such accounts, (v) the use of a guaranteed in vestment contract, surety bond, interest rate protection, swap or other similar agreement with respect to the Series, (vi) any extension or other evergreen feature with respect to the Series, (vii) any amendments or modifications of any Events of Termination relating to such Series or the Variable Funding Certificate, as the case may be, and (viii) such other provisions which the Transferor may, in its sole discretion, wish to incorporate and which shall be acceptable to the Trustee insofar as they affect the rights, duties and obligations of the Trustee hereunder or under any Supplement.

Section 6.10 Issuer Additional Amounts.

(a) The CP Issuer agrees, by acceptance of the Variable Funding Certificate, that the Transferor may from time to time prior to the commencement of the Amortization Period for the Variable Funding Certificate require that the CP Issuer acquire as of any Business Day an additional undivided interest in the Trust in a specified amount (the "Issuer Additional Amount") not to exceed, after giving effect thereto, an amount equal to the Aggregate Eligible Principal Receivables minus the greater of (a) the sum of (i) the Aggregate Invested Amount as of such day and (ii) the Issuer Amount as of such day and (iii) the Transferor Minimum Amount as of such day or (b) the Minimum Adjusted Eligible Principal Receivables. The CP Issuer's obligation to acquire any such Issuer Additional Amount shall be conditioned on the CP Issuer's ability to obtain funds to acquire such interest. If such Issuer Additional Amount, together with the existing Issuer Amount, shall exceed the Maximum Program Amount, the CP Issuer and the Transferor shall comply with the provisions of Section 6.10(b) hereof. If the CP Issuer acquires such additional interest, then in consideration of the CP Issuer's payment of the Issuer Additional Amount, the Servicer shall appropriately note such Issuer Additional Amount on the related Daily Report or Settlement Statement and direct the Trustee to pay to the Transferor such Issuer Additional Amounts and the Issuer Amount will be equal to the Issuer Amount stated in such Daily Report or Settlement Statement, as the case may be.

(b) In addition to the conditions specified in subsection (a) above, if the Issuer Amount is to be increased on any day by an Issuer Additional Amount in accordance with subsection (a) above resulting in the Issuer Amount exceeding the Maximum Program Amount, then the addition of such interest in the Trust shall be subject to the following additional conditions:

(i) as of such day, there shall exist no Issuer Default Deficiency Amounts under Section 4.05(g) as set forth in the Variable Funding Supplement or Issuer Charge-Offs;

(ii) such increase in the Issuer Amount shall be covered by the Available Liquidity Commitment and the Available LOC Amount;

(iii) the CP Issuer shall have received written confirmation of the then existing ratings of the Commercial Paper, if any, from each Rating Agency after giving effect to such increase in the Issuer Amount, and any other changes required pursuant to the applicable Supplement, and the CP Issuer shall have provided copies thereof to the Transferor, the Servicer, the Trustee, and any other parties as may be required by the Variable Funding Supplement;

(iv) the Transferor shall have obtained written confirmation from each Rating Agency that such increase in the Issuer Amount will not result in the Rating Agency's reducing or withdrawing its rating on any outstanding Series rated by it;

(v) the CP Issuer and the Transferor shall have satisfied such additional conditions as may be specified in the Variable Funding Supplement; and

(vi) the Trustee shall have received an Opinion of Counsel to the effect that the increase in the Issuer Amount in excess of the Maximum Program Amount will be treated as debt for Federal and applicable state income tax purposes under existing law and will not adversely affect the

status of any Series of Investor Certificates or the Variable Funding Certificate as debt for Federal and applicable state income tax purposes.

Section 6.11 Book-Entry Certificates. If provided in any Supplement, the Investor Certificates of any Series, upon original issuance, will be issued in the form of one or more typewritten Certificates representing the Book-Entry Certificates, to be delivered to The Depository Trust Company, the initial Clearing Agency, by, or on behalf of, the Transferor. The Investor Certificates of such Series shall initially be registered on the Certificate Register in the name of CEDE & Co., the nominee of The Depository Trust Company, which shall be the initial Clearing Agency, and no Certificate Owner will receive a definitive certificate representing such Certificate Owners interest in the Investor Certificates, except as provided in Section 6.13. Unless and until definitive, fully registered Investor Certificates (the "Definitive Certificates") have been issued to Certificate Owners pursuant to Section 6.13:

(i) the provision of this Section 6.11 shall be in full force and effect;

(ii) the Transferor, the Servicer, the Paying Agent, the Transfer Agent and Registrar and the Trustee may deal with the Clearing Agency and the Clearing Agency Participants for all purposes (including the making of distributions on the Investor Certificates) as the authorized representatives of the Certificate Owners;

(iii) to the extent that the provisions of this Section 6.11 conflict with any other provisions of this Agreement, the provisions of this Section 6.11 shall control; and

(iv) the rights of Certificate Owners shall be exercised only through the Clearing Agency and the Clearing Agency Participants and shall be limited to those established by law and agreements between such Certificate Owners and the Clearing Agency and/or the Clearing Agency Participants. Pursuant to the Letter of Representations, unless and until Definitive Certificates are issued pursuant to Section 6.13, the initial Clearing Agency will make book-entry transfers among the Clearing Agency Participants and receive and transmit distributions of principal and interest on the Investor Certificates to such Clearing Agency Participants.

Section 6.12 Notices to Clearing Agency. Whenever notice or other communication to the Investor Certificateholders of any Series delivered as provided in Section 6.11 is required under this Agreement, unless and until Definitive Certificates shall have been issued to Certificate Owners pursuant to Section 6.13, the Trustee, the Servicer and the Paying Agent shall give all such notices and communications specified herein to be given to Holders of the Investor Certificates of such Series to the Clearing Agency.

Section 6.13 Definitive Certificates. If (i)(A) the Transferor advises the Trustee in writing that the Clearing Agency is no longer willing or able to properly discharge its responsibilities under any Letter of Representations, and (B) the Transferor is unable to locate a qualified successor, (ii) the Transferor, at its option, advises the Trustee in writing that, with respect to any Series, it elects to terminate the book-entry system through the Clearing Agency or (iii) after the occurrence of a Servicer Default of any Series, Certificate Owners representing beneficial interests aggregating not less than 50% of the Invested Amount of such Series advise the Trustee and the Clearing Agency through the Clearing Agency Participants in writing that the continuation of a book-entry system through the Clearing Agency is no longer in the best interests of the Certificate Owners of such Series, the Trustee shall notify the Clearing Agency of the occurrence of any such event and of the availability of Definitive Certificates of such Series to Certificate Owners of such Series requesting the same. Upon surrender to the Trustee of the Investor Certificates of such Series by the Clearing Agency, accompanied by registration instructions from such Clearing Agency for registration, the Trustee shall authenticate and deliver Definitive Certificates of such Series. Neither the Transferor, the Transfer Agent and Registrar nor the Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such instructions. Upon the issuance of Definitive Certificates of any Series, all references herein to obligations with respect to such Series imposed upon or to be performed by the Clearing Agency shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such Definitive Certificates and the Trustee shall recognize the Holders of the Definitive Certificates as Certificateholders hereunder.

[END OF ARTICLE VI]

ARTICLE VII

OTHER MATTERS RELATING TO THE TRANSFEROR

Section 7.01 Liability of the Transferor. The Transferor shall be liable for each obligation, covenant, representation and warranty of the Transferor arising under or related to this Agreement or any Supplement and shall be liable only to such extent.

Section 7.02 Merger or Consolidation of, or Assumption of the Obligations of, the Transferor.

(a) The Transferor shall not consolidate with or merge into any other corporation or convey or transfer its properties and assets substantially as an entirety to any Person unless:

(i) the corporation formed by such consolidation or into which

the Transferor is merged or the Person which acquires by conveyance or transfer the properties and assets of the Transferor substantially as an entirety shall be, if the Transferor is not the surviving entity, organized and existing under the laws of the United States of America or any state or the District of Columbia, and, if the Transferor is not the surviving entity, shall expressly assume, by an agreement supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the performance of every covenant and obligation of the Transferor hereunder and under the other Facilities Documents;

(ii) the Transferor shall have delivered to the Trustee an Officers' Certificate of the Transferor and an Opinion of Counsel, each stating that such consolidation, merger, conveyance or transfer and such supplemental agreement comply with this Section 7.02 and that all conditions precedent herein provided for relating to such transaction have been complied with and, in the case of the Opinion of Counsel, that such supplemental agreement is legal, valid and binding; and

(iii) each Rating Agency shall have confirmed in writing that the rating of any outstanding Series or on the Commercial Paper will not be reduced or withdrawn.

(b) The obligations of the Transferor hereunder shall not be assignable nor shall any Person succeed to the obligations of the Transferor hereunder except in each case in accordance with the provisions of Section 7.02(a).

Section 7.03 Limitation on Liability of the Transferor. Subject to Sections 7.01 and 7.04 with respect to the Transferor, except as specifically provided herein or in any Supplement, neither the Transferor nor any of the directors or officers or employees or agents of the Transferor in its capacity as Transferor shall be under any liability to the Trust, the Trustee, the Certificateholders or any other Person for any action taken or for refraining from the taking of any action in the capacity as Transferor pursuant to this Agreement whether arising from express or implied duties under this Agreement or any Supplement or otherwise; provided, however, that this provision shall not protect the Transferor or any such person against any liability which would otherwise be imposed by reason of willful misfeasance, bad faith or gross negligence in the performance of duties or by reason of reckless disregard of obligations and duties hereunder. The Transferor and any director or officer or employee or agent of the Transferor may rely in good faith on any document of any kind prima facie properly executed and submitted by any Person respecting any matters arising hereunder. Each of the Trustee and the Servicer agrees that the obligations of the Transferor to the Trustee, the Servicer, the Certificateholders and the Trust hereunder, including without limitation the obligation of the Transferor in respect of indemnities pursuant to Section 7.04 hereof, shall be payable from the Trust Assets (and, solely with respect to the payment of interest and repayment of principal under the Certificates, solely from the Trust Assets) in accordance with the provisions of this Agreement and any Supplement or such other assets of the Transferor as may be available; provided that such obligations (other than in respect of principal and interest on the Certificates) shall be suspended at any time solely to the extent that, and for so long as, the Transferor's assets are insufficient to pay in full such obligations; and provided, further, that such obligations (other than in respect of principal and interest on the Certificates) are fully subordinated to the Transferor's obligations with respect to the payment of interest and principal under the Certificates, and the security interest of the Trustee in the Trust Assets with respect to such interest and principal obligations.

Section 7.04 Liabilities. By entering into this Agreement, the Transferor agrees to pay, directly to the injured party, the entire amount of any losses, claims, damages or liabilities (other than those incurred by a Certificateholder in the Investor Certificates of any Series or, in the case of the CP Issuer, the Variable Funding Certificate, as a result of defaults or other losses (including, without limitation, Issuer Charge-Offs and Investor charge-offs) with respect to the Receivables) arising out of or based on the arrangements created by this Agreement or any Supplement as though this Agreement and each Supplement created a partnership among the Transferor and the Certificateholders under the Uniform Partnership Act in effect in the State of New York in which the Transferor is a general partner; provided, that in such capacity the Transferor shall be entitled to the rights of contribution and indemnification under the Uniform Partnership Act as in effect in the State of New York. The Transferor agrees to pay, indemnify and hold harmless (and, solely with respect to the payment of interest and the repayment of principal under the Certificates, solely from the Trust Assets) in accordance with the provisions of this Agreement and any Supplement or from such other assets of the Transferor as may be available each Investor Certificateholder of any Series and the Holder of the Variable Funding Certificate against and from any and all such losses, claims, damages and liabilities except to the extent that they arise from any action by such Investor Certificateholder or the Holder of the Variable Funding Certificate causing such losses, claims, damages or liabilities; provided, however, that such obligations shall be suspended at any time solely to the extent that, and for so long as, the Transferor's assets are insufficient to pay in full such obligations; and provided, further, that such obligations under this Section 7.04 other than in respect of principal and interest on the Certificates are fully subordinated to the Transferor's obligations with respect to the payment of interest and principal under the Certificates, and the security interest of the Trustee in the Trust Assets with respect to such interest and principal obligations.

[END OF ARTICLE VII]

ARTICLE VIII

OTHER MATTERS RELATING TO THE SERVICER

Section 8.01 Liability of the Servicer. The Servicer shall be liable under this Agreement only to the extent of the obligations specifically undertaken by the Servicer in its capacity as Servicer.

Section 8.02 Merger or Consolidation of, or Assumption of the Obligations of, the Servicer.

(a) The Servicer shall not consolidate with or merge into any other corporation or convey or transfer its properties and assets substantially as an entirety to any Person, unless:

(i) the corporation formed by such consolidation or into which the Servicer is merged or the Person which acquires by conveyance or transfer the properties and assets of the Servicer substantially as an entirety shall be a corporation organized and existing under the laws of the United States of America or any State or the District of Columbia, and, if the Servicer is not the surviving entity, such corporation shall qualify as an Eligible Servicer and shall expressly assume, by an agreement supplemental hereto executed and delivered to the Trustee in a form satisfactory to the Trustee, the performance of every covenant and obligation of the Servicer hereunder and under the other Facilities Documents;

(ii) the Servicer has delivered to the Trustee an Officer's Certificate of the Servicer and an Opinion of Counsel each stating that such consolidation, merger, conveyance or transfer and such supplemental agreement comply with this Section 8.02 and that all conditions precedent herein provided for relating to such transaction have been complied with and, in the case of the Opinion of Counsel, that such supplemental agreement is legal, valid and binding; and

(iii) each Rating Agency shall have confirmed in writing that the rating of any outstanding Series or on the Commercial Paper will not be reduced or withdrawn.

Section 8.03 Limitation on Liability of the Servicer and Others. Subject to Section 8.04 with respect to the Servicer, except as otherwise specifically provided herein or in any Supplement, neither the Servicer nor any of the directors or officers or employees or agents of the Servicer shall be under any liability to the Trust, the Trustee, the Certificateholders or any other Person for any action taken or for refraining from the taking of any action in its capacity as Servicer, whether arising from express or implied duties under this Agreement or any Supplement or otherwise; provided, however, that this provision shall not protect the Servicer or any such Person against any liability which would otherwise be imposed by reason of willful misfeasance, bad faith or gross negligence in the performance of duties or by reason of reckless disregard of obligations and duties hereunder. The Servicer and any director or officer or employee or agent of the Servicer may rely in good faith on any document of any kind prima facie properly executed and submitted by any Person respecting any matters arising hereunder. The Servicer shall not be under any obligation to appear in, prosecute or defend any legal action which is not incidental to its duties to service the Receivables in accordance with this Agreement or any Supplement which in its reasonable opinion may involve it in any expense or liability.

Section 8.04 Servicer Indemnification of the Trust and the Trustee. The Servicer shall indemnify and hold harmless the Trustee (and each of its directors, officers, employees and agents) and the Trust, individually and for the benefit of the Certificateholders and the CP Issuer, 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 activities of the Trustee or the Trust pursuant to this Agreement or any Supplement, including those arising from acts or omissions of the Servicer pursuant to this Agreement or any Supplement, or otherwise arising out of this Agreement or any Supplement, including but not limited to any judgment, award, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim; provided, however, that the Servicer shall not indemnify the Trustee or the Trust if such acts, omissions or alleged acts or omissions constitute fraud, negligence, breach of fiduciary duty or willful misconduct by the Trustee; and provided, further, that the Servicer shall not indemnify the Trust, the Investor Certificateholders or the CP Issuer (x) for any liabilities, costs or expenses of the Trust with respect to any action taken by the Trustee at the request of any Investor Certificateholder or the Holder of the Variable Funding Certificate or (y) 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 Trust or the Investor Certificateholders or the Holder of the Variable Funding Certificate in connection herewith to any taxing authority, or (z) with respect to any liabilities, losses, costs or expenses incurred by any Certificateholder in the Investor Certificates of any Series or, in the case of the CP Issuer, the Variable Funding Certificate as a result of defaults or other losses (including, without limitation, Investor Charge-Offs and Issuer Charge-Offs) with respect to the Receivables not specifically indemnified or represented to hereunder arising out of or based on the arrangement created by this Agreement or any Supplement. Subject to Sections 7.01 and 10.02(b), any indemnification pursuant to this Section shall only be from the assets of the Servicer. The provisions of such indemnity shall run directly to and be enforceable by an injured party subject to the limitations hereof. The provisions of this Section shall survive the resignation or removal of the Trustee and the termination of

the Trust. The Servicer shall indemnify, defend and hold harmless the Trustee (and each of its directors, officers, employees and agents) from and against all costs, expenses, losses, claims, damages and liabilities (including but not limited to any judgment, award, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim) arising out of or incurred in connection with the acceptance or performance of their respective duties contained in this Agreement, except to the extent that such cost, expense, loss, claim, damage or liability: (a) is due to the willful misconduct, breach of fiduciary duties, acts or omissions which constitute constructive fraud, or negligence of the Person indemnified, (b) arises from the Trustee's breach of any of its representations and warranties set forth in Section 11.15 of this Agreement, or (c) shall arise out of or be incurred in connection with the performance by the Trustee of the duties of the Successor Servicer hereunder.

Section 8.05 The Servicer Not to Resign. The Servicer shall not resign from the obligations and duties hereby imposed on it except upon determination that (i) the performance of its duties hereunder is no longer permissible under applicable law and (ii) there is no reasonable action which the Servicer could take to make the performance of its duties hereunder permissible under applicable law. Any such determination permitting the resignation of the Servicer shall be evidenced as to clause (i) above by an Opinion of Counsel to such effect delivered to the Trustee. No such resignation shall become effective until the Trustee or a Successor Servicer shall have assumed the responsibilities and obligations of the Servicer in accordance with Section 10.02 hereof; provided, that if within one hundred twenty (120) days of the date that the Servicer notifies the Trustee of its resignation in accordance with this Section 8.05 and delivers to the Trustee the Opinion of Counsel referred to above the Trustee does not receive any bids from Eligible Servicers in accordance with Section 10.02(c) to act as Successor Servicer, then the Trustee shall automatically be appointed Successor Servicer in accordance with Section 10.02 (but shall have the continued authority to appoint another Person as Successor Servicer).

Section 8.06 Access to Certain Documentation and Information Regarding the Receivables. The Servicer shall provide to the Trustee and the Collateral Agent and their respective representatives access to the documents, books, microfiche, computer records and other information regarding the Receivables and the other Trust Assets in such cases where the Trustee is required in connection with the enforcement of the rights of the Certificateholders, or by applicable statutes or regulations, to review such documentation, such access being afforded without charge but only (i) upon reasonable request, (ii) during normal business hours and (iii) subject to the Servicer's normal security and confidentiality procedures. Nothing in this Section 8.06 shall derogate from the obligation of the Transferor, the Trustee or the Servicer to observe any applicable law prohibiting disclosure of information regarding the Obligors and the failure of the Servicer to provide access as provided in this Section 8.06 as a result of such obligation shall not constitute a breach of this Section 8.06.

Section 8.07 Delegation of Duties. In the ordinary course of business, the Servicer may at any time delegate any duties hereunder to any Person who agrees to conduct such duties in accordance with the Credit and Collection Policy and this Agreement or any Supplement; provided, however, if any significant delegation is to a Person other than Ingram, a Lock-Box Bank or other Affiliate of the Transferor and is not in the ordinary course of the Servicer's business, written notice shall be given to each Rating Agency, the Trustee and the Liquidity Agent of such delegation. Any delegation shall not relleve the Servicer of its liability and responsibility with respect to such duties and shall not constitute a resignation within the meaning of Section 8.05 hereof.

Section 8.08 Examination of Records. The Transferor and the Servicer shall, prior to the sale or transfer to a third party of any receivable, contract or invoice held in its custody, examine its computer and other records to determine that such receivable, contract or invoice is not part of the Trust Assets.

Section 8.09 Successor Servicer Indemnification of Transferor. In the event of a Service Transfer, the Successor Servicer will indemnify and hold harmless the Transferor for any losses, claims, damages and liabilities of the Transferor arising from the fraud, gross negligence, breach of fiduciary duty or willful misconduct of such Successor Servicer.

[END OF ARTICLE VIII]

ARTICLE IX

EVENTS OF TERMINATION

Section 9.01 Events of Termination with Respect to any Series. If any one of the following events shall occur at such time as there shall be at least one outstanding Investor Certificate:

(i) failure (A) on the part of the Transferor or the Servicer to make any payment or deposit required by the terms of this Agreement or any Supplement on or before five Business Days after the date such payment or deposit is required to be made herein; or (B) on the part of the Transferor to duly observe or perform in any material respect the covenant of the Transferor set forth in Section 2.06(b), or (C) on the part of the Transferor to duly observe or perform in any material respect any other covenants or agreements of the Transferor set forth in this Agreement or any Supplement, which, in the case of clause (C), continues unremedied for a period of 30 days after the date on which written notice of such failure,

requiring the same to be remedied, shall have been given to the Transferor by the Trustee, or to the Transferor and the Trustee by the Holders of Investor Certificates evidencing Undivided Interests aggregating not less than 10% of the Invested Amount of the applicable Series;

(ii) any representation or warranty made by the Transferor in this Agreement or any Supplement or any information contained in a computer file, microfiche list or hard copy list required to be delivered by the Transferor pursuant to Section 2.01 shall prove to have been incorrect in any material respect when made or when delivered, which continues to be incorrect in any material respect for a period of 60 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Transferor by the Trustee, or to the Transferor and the Trustee by the Holders of Investor Certificates evidencing Undivided Interests aggregating not less than 10% of the Invested Amount of the related Series and as a result of which the interests of the Certificateholders of such Series are materially and adversely affected; provided, however, that an Event of Termination pursuant to this Section 9.01(a)(ii) shall not be deemed to have occurred hereunder with respect to any such Series if the Transferor has accepted the transfer of the related Receivable, or all of such Receivables, if applicable, in accordance with Section 2.04(c) during such 60-day period (or such longer period as the Trustee may specify) in accordance with the provisions hereof;

(iii) Ingram or the Transferor voluntarily seeks, consents to or acquiesces in the benefit or benefits of any Debtor Relief Law or becomes a party to (or is made the subject of) any proceeding provided for by any Debtor Relief Law, other than as creditor or claimant, and in the event such proceeding is involuntary, the petition instituting same is not dismissed within 60 days of its filing; or the Transferor shall become unable for any reason to transfer Receivables to the Trust in accordance with the provisions of this Agreement, or Ingram shall become unable for any reason to sell Receivables to the Transferor in accordance with the provisions of the Purchase Agreement;

(iv) the Discount Factor shall exceed 501;

(v) the Trust shall become an "investment company" within the meaning of the Investment Company Act of 1940, as amended;

(vi) the Trustee has not accepted a bid from an Eligible Servicer within 60 days after any Servicer Default with respect to which a Termination Notice has been issued;

(vii) the Default Ratio shall exceed 5%;

(viii) the Transferor Eligible Amount shall be less than the Transferor Minimum Amount or Adjusted Eligible Principal Receivables shall be less than Minimum Adjusted Eligible Principal Receivables for five consecutive days;

(ix) the Transferor Eligible Receivables Amount shall be less than the Transferor Minimum Receivables Amount for five consecutive days; or

(x) the Purchase Agreement shall terminate in accordance with its terms;

then, (a) in the case of any event described in subparagraph (i) (other than clause (B) thereof), (ii), (vi) and (viii) after any applicable grace period set forth in such subparagraphs, either the Trustee or the Holders of Investor Certificates of the related Series evidencing Undivided Interests aggregating more than 65% of the related Invested Amount of such Series by notice then given in writing to the Transferor and the Servicer (and to the Trustee if given by the Certificateholders) may declare that an Event of Termination has occurred (A) with respect to all Series of Certificates (in the case of notice given by the Trustee) or (B) such Series (in the case of notice given by Investor Certificateholders) as of the date of such notice, or (b) in the case of any event described in clause (B) of subparagraph (i) or in subparagraphs (iii), (iv), (v), (vii), or (ix) an Event of Termination with respect to all Series shall occur without any notice or other action on the part of the Trustee or any Certificateholder immediately upon the occurrence of such event.

Section 9.02 Events of Termination with Respect to the Variable Funding Certificate. If any one of the following events shall occur during the NonAmortization Period with respect to the Variable Funding Certificate:

(i) failure (A) on the part of the Transferor or the Servicer to make any payment or deposit required by the terms of this Agreement or the related Supplement on or before five Business Days after the date such payment or deposit is required to be made herein or in such Supplement; or (B) on the part of the Transferor to duly observe or perform in any material respect the covenant of the Transferor set forth in Section 2.06(b), or (C) on the part of the Transferor to duly observe or perform in any material respect any other covenants or agreements of the Transferor set forth in this Agreement or the related Supplement, which, in the case of clause (C), continues unremedied for a period of 30 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Transferor by the Trustee, or to the Transferor and the Trustee by the CP Issuer, the Controlling Party or the Collateral Agent;

(ii) any representation or warranty made by the Transferor in this Agreement or the related Supplement or any information contained in a computer file, microfiche list or hard copy list required to be delivered by the Transferor pursuant to Section 2.01 shall prove to have been incorrect in any material respect when made or when delivered, which

continues to be incorrect in any material respect for a period of 60 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Transferor by the Trustee, or to the Transferor and the Trustee by the CP Issuer, the Controlling Party or the Collateral Agent and as a result of which the interests of such Person giving such notice are materially and adversely affected;

(iii) Ingram or the Transferor voluntarily seeks, consents to or acquiesces in the benefit or benefits of any Debtor Relief Law or becomes a party to (or is made the subject of) any proceeding provided for by any Debtor Relief Law, other than as creditor or claimant, and in the event such proceeding is involuntary, the petition instituting same is not dismissed within 60 days of its filing; or the Transferor shall become unable for any reason to transfer Receivables to the Trust in accordance with the provisions of this Agreement, or Ingram shall become unable for any reason to sell Receivables to the Transferor in accordance with the provisions of the Purchase Agreement;

(iv) the CP Issuer, the Transferor or the Trust shall become an "investment company" within the meaning of the Investment Company Act of 1940, as amended;

(v) the Trustee has not accepted a bid from an Eligible Servicer within 60 days after any Servicer Default with respect to which a Termination Notice has been issued;

(vi) Ingram shall fail to make any payment or deposit required to be made pursuant to the terms of the Purchase Agreement on or before three Business Days after the date such payment or deposit is required to be made thereunder;

(vii) the Discount Factor shall equal or exceed 50%;

(viii) the Lien created in favor of the Trust on all the Trust Assets shall cease to be a perfected, first priority enforceable Lien thereon, or the Transferor, the CP Issuer or Ingram shall so assert in writing (and such Receivables are not repurchased pursuant to Section 2.04(c));

(ix) the Servicer shall fail to deliver the Daily Report or Settlement Statement to the Trustee and such failure continues for a period of three Business Days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer by the Trustee or the Controlling Party; Provided, however that a delay in or failure to deliver any such Daily Report or Settlement Statement for a period of five Business Days shall not constitute an Event of Termination until the expiration of such five Business Days if such delay or failure could not be prevented by the exercise of reasonable diligence by the Servicer and such delay or failure was caused by an Act of God, the public enemy, acts of declared or undeclared war, public disorder, rebellion or sabotage, epidemics, landslides, lightning, fire, hurricane, earthquakes, floods or similar causes;

(x) a Material Subsidiary shall voluntarily seek, consent to or acquiesce in the benefit or benefits of any Debtor Relief Law or becomes a party to (or is made the subject of) any proceeding provided for by any Debtor Relief Law, other than as creditor or claimant, and in the event such proceeding is involuntary, the petition instituting same is not dismissed within 60 days of its filing; or a Material Subsidiary shall become unable for any reason to sell Receivables to Ingram in accordance with the provisions of the applicable Subsidiary Purchase Agreement;

(xi) the Default Ratio shall exceed 5%;

(xii) the Transferor Eligible Amount shall be less than the Transferor Minimum Amount or Adjusted Eligible Principal Receivables shall be less than Minimum Adjusted Eligible Principal Receivables for five consecutive days;

(xiii) an "Event of Default" shall have occurred and shall be continuing under the Liquidity Agreement and/or the LOC Reimbursement Agreement;

(xiv) the Transferor Eligible Receivables Amount shall be less than the Transferor Minimum Receivables Amount for five consecutive days; or

(xv) the Purchase Agreement shall terminate in accordance with its terms;

then, (y) after any applicable grace period, in the case of any event described in subparagraph (i) (other than clause (B) thereof), (ii), (v), (vi), (ix), (x), (xii), or (xiii), any of the Trustee or the Holder of the Variable Funding Certificate by notice then given in writing to the Transferor and the Servicer (and to the Trustee if given by the Holder of the Variable Funding Certificate) may declare that an Event of Termination has occurred as of the next succeeding Payment Date with respect to the Variable Funding Certificate, or (z) in the case of any event described in clause (B) of subparagraph (i) or in subparagraphs (iii), (iv), (vii), (viii), (xi), (xiv) or (xv), an Event of Termination with respect to the Variable Funding Certificate shall occur as of the next succeeding Payment Date without any notice or other action on the part of the Trustee or any other Person, immediately upon the occurrence of such event. Notice of any Event of Termination with respect to the Variable Funding Certificate known to a Responsible Officer of the Trustee shall be given by the Trustee to the Persons specified in the applicable Supplement.

Section 9.03 Additional Rights Upon the Occurrence of Certain Events.

(a) If the Transferor voluntarily (i) seeks, consents to or

acquiesces in the benefit or benefits of any Debtor Relief Law or becomes a party to (or is made the subject of) any proceeding provided for by any Debtor Relief Law, other than as creditor or claimant, and in the event such proceeding is involuntary, the petition instituting the same is not dismissed within 60 days of its filing or (ii) goes into liquidation or any other Person shall be appointed as a bankruptcy trustee or receiver or conservator of the Transferor, the Transferor shall on the day of such event (the "Appointment Date") immediately cease to transfer Receivables to the Trust and shall promptly give notice to the Trustee of such event. Notwithstanding any cessation of the transfer to the Trust of additional Receivables, Receivables transferred to the Trust prior to the occurrence of such voluntary or involuntary event and Collections in respect of such Receivables whenever created, accrued in respect of such Receivables, shall continue to be a part of the Trust. Within 15 days of the day on which a Responsible Officer of the Trustee first receives written notice of the occurrence of the Appointment Date, the Trustee shall (i) publish a notice in Authorized Newspapers that a receiver or conservator of the Transferor has been appointed or that a voluntary liquidation of the Transferor has occurred and that the Trustee intends to sell, dispose of or otherwise liquidate the Receivables on commercially reasonable terms and in a commercially reasonable manner and (ii) send written notice to the Holder of the Variable Funding Certificate and the Investor Certificateholders describing the provisions of this Section 9.03 and requesting instructions from such Holders. Unless within 60 days from the day written notice pursuant to clause (ii) above is first sent the Trustee shall have received written instructions of the Holder of the Variable Funding Certificate and Holders of Investor Certificates representing Undivided Interests aggregating more than 50% of the Invested Amount of each Series and in the case of a Series having more than one Class, more than 50` of the Invested Amount of each Class of such Series, to the effect that such Certificateholders disapprove of the liquidation of the Receivables and wish to continue receiving Receivables under the Trust as before such appointment, or unless the Trustee shall have received an Opinion of Counsel addressed to the Trustee to the effect that any such sale, disposition or liquidation is prohibited by law, the Trustee shall proceed to sell, dispose of, or otherwise liquidate the Receivables in a commercially reasonable manner and, to the best of its ability, on commercially reasonable terms, which shall include the solicitation of competitive bids. The Trustee may obtain, and shall be fully protected in relying on, a prior determination from such bankruptcy trustee or receiver that the terms and manner of any proposed sale, disposition or liquidation hereunder are commercially reasonable. The provisions of Section 9.01, 9.02 and 9.03 shall not be deemed to be mutually exclusive.

(b) The proceeds from the sale, disposition or liquidation of the Receivables pursuant to subsection (a) above, net of all reasonable expenses incurred by the Trustee in connection with such sale, liquidation or other disposition, which shall be paid to the Trustee from such process, shall be treated as Collections of the Receivables and shall be allocated in accordance with the provisions of Section 4.03. On the day following the Payment Date on which such proceeds are distributed to the Holder of the Variable Funding Certificate and the Investor Certificateholders, the Trust shall terminate.

(c) Upon the occurrence of an event specified in Section 9.03(a), if the Trustee has not sold the Receivables as provided therein within 120 days after the Appointment Date, the Trustee, upon the written instructions of the Holder of the Variable Funding Certificate or all of the Holders of Investor Certificates of any Series shall sell, dispose of or otherwise liquidate Receivables on a best efforts basis, selected on a random basis from all Receivables in the Trust, in an amount equal to (i) in the case of any such Series of Investor Certificates, the product of the Aggregate Principal Receivables and the aggregate percentage Undivided Interest in the Trust represented by all Series so instructing the Trustee and (ii) in the case of the Variable Funding Certificate, the product of the Aggregate Principal Receivables and the Undivided Interest in the Trust represented by the Variable Funding Certificate; provided that the Rating Agency has advised the Transferor and the Trustee in writing that such sale shall not adversely affect the then existing rating of any such Series or, if the Holder of the Variable Funding Certificate has not so instructed the Transferor, the Commercial Paper. The proceeds from such sale, net of all reasonable expenses incurred by the Trustee in connection with such sale, liquidation or other disposition, which shall be paid to the Trustee, shall be deposited in the Collection Account by the Trustee and shall be treated as Collections of Receivables allocable to the Series or to the Variable Funding Certificate so instructing the Transferor and shall be allocated in accordance with Section 4.03. Upon distribution of such proceeds in accordance with Article IV, such Series or the Variable Funding Certificate, as the case may be, shall be deemed paid in full and no further amounts shall be allocated thereto under Section 4.03.

[END OF ARTICLE IX]

ARTICLE X

SERVICER DEFAULTS

Section 10.01 Servicer Defaults. If any one of the following events (a "Servicer Default") shall occur and be continuing:

(a) failure by the Servicer to make any payment, transfer or deposit or to give instructions or to give notice to the Trustee to make such payment, transfer or deposit on or before the date occurring three Business Days after the date such payment, transfer or deposit or such instruction or notice is required to be made or given, as the case may be, under the terms of this Agreement or any Supplement;

(b) failure on the part of the Servicer duly to observe or perform any other covenants or agreements of the Servicer set forth in this Agreement or any Supplement which has a material adverse effect on the Certificateholders, which continues unremedied for a period of 30 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer by the Trustee, or to the Servicer and the Trustee by the CP Issuer if the Holder of the Variable Funding Certificate is adversely affected thereby, or by the Holders of Investor Certificates evidencing Undivided Interests in the Trust aggregating not less than 50% of the Invested Amount of any Series adversely affected thereby; or the Servicer shall assign its duties under this Agreement, except as permitted by Sections 8.02, 8.05 and 8.07;

(c) any representation, warranty or certification made by the Servicer in this Agreement, any Supplement or in any certificate or report delivered pursuant to this Agreement or any Supplement shall prove to have been incorrect when made, which has a material adverse effect on the rights of the Certificateholders and which material adverse effect continues for a period of 30 days after the date on which written notice thereof, requiring the same to be remedied, shall have been given to the Servicer by the Trustee, or to the Servicer and the Trustee by the CP Issuer or by the Holders of Investor Certificates evidencing Undivided Interests in the Trust aggregating not less than 50% of the Invested Amount of any Series adversely affected thereby; or

(d) the Servicer shall voluntarily seek, consent to or acquiesce in the benefit or benefits of any Debtor Relief Law or becomes a party to (or be made the subject of) any proceeding provided for under any Debtor Relief Law, other than as creditor or claimant, and in the event such proceeding is involuntary, the petition instituting same is not dismissed within 60 days of its filing;

then, in the event of any Servicer Default, so long as the Servicer Default shall not have been remedied, either (i) the Trustee, (ii) the CP Issuer (but not if the CP Issuer is a subsidiary or other Affiliate of the Servicer) or the Collateral Agent or (iii) the Holders of Investor Certificates evidencing Undivided Interests aggregating more than 50% of the Invested Amount of any Series materially and adversely affected thereby, by notice then given in writing to the Servicer and the Transferor (with a copy thereof to each Rating Agency) and to the Trustee if given by a Person other than the Trustee (a "Termination Notice"), may terminate the rights and obligations of the Servicer as Servicer under this Agreement and in and to the Receivables and the proceeds thereof.

After receipt by the Servicer of a Termination Notice, and on the date that a Successor Servicer shall have been appointed pursuant to Section 10.02, all authority and power of the Servicer under this Agreement and each Supplement shall pass to and be vested in a Successor Servicer (a "Service Transfer"); and, without limitation, the Trustee is hereby authorized and empowered (upon the failure of the Servicer to cooperate) to execute and deliver, on behalf of the Servicer, as attorney-in-fact or otherwise, all documents and other instruments upon the failure of the Servicer to execute or deliver such documents or instruments, and to do and accomplish all other acts or things necessary or appropriate to effect the purposes of such Service Transfer. The Servicer agrees to cooperate with the Trustee, the Transferor and such Successor Servicer in effecting the termination of the responsibilities and rights of the Servicer to conduct servicing hereunder, including, without limitation, the transfer to such Successor Servicer of all authority of the Servicer to service the Receivables and the Related Security provided for under this Agreement, including, without limitation, all authority over all Collections which shall on the date of transfer be held by the Servicer for deposit, or which have been deposited by the Servicer in the Collection Account, or which shall thereafter be received with respect to the Receivables and the Related Security, and in assisting the Successor Servicer. The Servicer shall promptly transfer, to the extent it is permitted by applicable law to do so, its electronic records relating to the Receivables and the Related Security to the Successor Servicer in such electronic form as the Successor Servicer may reasonably request and shall promptly transfer, to the extent it is permitted by applicable law to do so, to the Successor Servicer all other records, correspondence and documents necessary for the continued servicing of the Receivables and the Related Security in the manner and at such times as the Successor Servicer shall reasonably request and shall, to the extent not prohibited by licensing restrictions, provide access to or copies of computer software, including by means of sublicensing arrangements if applicable, to the extent necessary for the continued servicing of the Receivables and the Related Security; provided, however, that the Servicer 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 interest(s) to the Successor Servicer. The Servicer shall provide the Successor Servicer with access to any computer hardware in its possession for a reasonable time after the Servicer's termination to the extent necessary for the uninterrupted servicing of the Receivables. Notwithstanding the foregoing, the Servicer shall not be required to provide such access, whether with respect to computer hardware or software, if to provide such access would violate applicable contractual restrictions (including pursuant to any licensing arrangements to which Ingram or any Designated Subsidiary is a party); Provided, however, that Ingram shall use all reasonable efforts and act in good faith in seeking consents or waivers necessary to permit the Successor Servicer to have such access. To the extent that compliance with this Section 10.01 shall require the Servicer to disclose to the Successor Servicer information of any kind which the Servicer reasonably deems to be confidential, the Successor Servicer shall be required to enter into such customary licensing and confidentiality agreements as the Servicer shall deem necessary to protect its interest.

Notwithstanding the foregoing, a delay in or failure of performance under Section l0.0l(a) shall not constitute a Servicer Default if such delay or failure could not be prevented by the exercise of reasonable diligence by the Servicer and such delay or failure was caused by an Act of God, the public enemy, acts of declared or undeclared war, public disorder, rebellion or sabotage, epidemics, landslides, lightning, fire, hurricanes, earthquakes, floods or similar causes and no funds have been remitted to Ingram or the Transferor. The preceding sentence shall not relieve the Servicer from using reasonable efforts to perform its obligations in a timely manner in accordance with the terms of this Agreement and each Supplement, and the Servicer shall provide the Trustee, the Rating Agencies, the Transferor, the CP Issuer and the Investor Certificateholders with an Officer's Certificate giving prompt notice of such failure or delay by it, together with a description of its efforts to so perform its obligations. The Servicer shall immediately notify the Trustee in writing of any Servicer Default. In connection with any Service Transfer, all reasonable costs and expenses (including attorneys' fees) incurred in connection with transferring the Receivables and the Related Security to the Successor Servicer and amending this Agreement to reflect such succession as Successor Servicer pursuant to this Section 10.01 and Section 10.02 shall be paid by the Servicer upon presentation of reasonable documentation of such costs and expenses.

Section 10.02 Trustee to Act; Appointment of Successor.

(a) On and after the receipt by the Servicer of a Termination Notice pursuant to Section 10.01, the Servicer shall continue to perform all servicing functions under this Agreement and any Supplement until the date specified in the Termination Notice or as otherwise specified by the Trustee in writing or, if no such date is specified in such Termination Notice, or as otherwise specified by the Trustee, until a date mutually agreed upon by the Servicer and Trustee. The Trustee shall as promptly as possible after the giving of a Termination Notice appoint an Eligible Servicer as a successor servicer (the "Successor Servicer") and such Successor Servicer shall have obtained written confirmation from each Rating Agency that the then current rating on the Commercial Paper or on any outstanding Series will not be reduced or withdrawn and shall accept its appointment by a written assumption and agreement to perform all of the duties, obligations and liabilities of the Servicer hereunder in a form acceptable to the Trustee. In the event that a Successor Servicer has not been appointed or has not accepted its appointment at the time when the Servicer ceases to act as Servicer, or upon the occurrence of the events specified in Section 8.05, the Trustee without further action shall automatically be appointed the Successor Servicer. The Trustee may delegate any of its servicing obligations to an affiliate or agent of the Servicer or the Trustee in accordance with Section 3.01(a). Notwithstanding the above, the Trustee shall, if it is legally unable so to act, petition a court of competent jurisdiction to appoint any established institution having a net worth of not less than $50,000,000. The Trustee shall promptly give notice to each Rating Agency of the appointment of a Successor Servicer upon such appointment.

(b) Upon its appointment, the Successor Servicer shall be the successor in all respects to the Servicer with respect to servicing functions under this Agreement and shall be subject to all the responsibilities, duties and liabilities relating thereto placed on the Servicer by the terms and provisions hereof, and all references in this Agreement and any Supplement to the Servicer shall be deemed to refer to the Successor Servicer except for the references in Sections 3.03, 8.04 and ll.O5 and the last sentence of Section 10.01 which shall continue to refer to Ingram.

(c) In connection with any Termination Notice, the Trustee will review any bids which it obtains from Eligible Servicers and shall be permitted to appoint any Eligible Servicer submitting such a bid as a Successor Servicer for servicing compensation not in excess of the Servicing Fee permitted for a Successor Servicer pursuant to Section 3.02; provided, however, that Ingram shall be responsible for payment of all servicing compensation in excess of the Servicing Fee, and that no such monthly compensation paid out of Collections shall be in excess of the Servicing Fee permitted to a Successor Servicer pursuant to Section 3.02.

(d) All authority and power granted to the Successor Servicer under this Agreement shall automatically cease and terminate upon termination of the Trust pursuant to Section 12.01, and shall pass to and be vested in the Transferor and, without limitation, the Transferor is hereby authorized and empowered to execute and deliver, on behalf of the Successor Servicer, as attorney-in-fact or otherwise, all documents and other instruments, and to do and accomplish all other acts or things necessary or appropriate to effect the purposes of such transfer of servicing rights. The Successor Servicer agrees to cooperate with the Transferor in effecting the termination of the responsibilities and rights of the Successor Servicer to conduct servicing of the Receivables and the Related Security, including, without limitation, all authority over Collections then held by the Successor Servicer or which shall thereafter be received by the Successor Servicer. The Successor Servicer shall promptly transfer its electronic records relating to the Receivables to the Transferor in such electronic form as the Transferor may reasonably request and shall promptly transfer all other records, correspondence and documents to the Transferor in the manner and at such times as the Transferor shall reasonably request. To the extent that compliance with this Section 10.02 shall require the Successor Servicer to disclose to the Transferor information of any kind which the Successor Servicer deems to be confidential, the Transferor shall be required to enter into such customary licensing and confidentiality agreements as the Successor Servicer shall deem necessary to protect its interests.

Section 10.03 Notification to Certificateholders. Upon the occurrence of

any Servicer Default, the Servicer shall give prompt written notice thereof to the Trustee and, upon receipt of such written notice, the Trustee shall give notice to the CP Issuer, each Rating Agency and the Investor Certificateholders at their respective addresses appearing in the Certificate Register. Upon any termination or appointment of a Successor Servicer pursuant to this Article X, the Trustee shall give prompt written notice thereof to the CP Issuer and the Investor Certificateholders at their respective addresses appearing in the Certificate Register.

Section 10.04 Waiver of Past Defaults. The CP Issuer may, on behalf of itself if it is adversely affected by any default by the Servicer or the Transferor, and the Holders of Investor Certificates evidencing Undivided Interests aggregating more than 65% of the Invested Amount of any Series materially adversely affected by any default by the Servicer or Transferor may, on behalf of all Certificateholders of such affected Series, respectively waive any default by the Servicer or the Transferor in the performance of their obligations hereunder and its consequences, except a default in the failure to make any required deposits or payments of interest or principal with respect to any Series of Certificates. Upon any such waiver of a past default, such default shall cease to exist, and any default arising therefrom shall be deemed to have been remedied for every purpose of this Agreement. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon except to the extent expressly so waived. Upon the waiver by the CP Issuer of any default, the CP Issuer shall provide notice of such waiver, except waivers with respect to the timely delivery of reports and notices and the performance of ministerial functions hereunder.

[END OF ARTICLE X]

ARTICLE XI

THE TRUSTEE

Section 11.01 Duties of Trustee. (a) The Trustee, prior to the occurrence of a Servicer Default of which a Responsible Officer of the Trustee has knowledge and after the curing of all Servicer Defaults which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Agreement. If to the knowledge of a Responsible Officer of the Trustee a Servicer Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Agreement or any Supplement, as the case may be, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such prudent person's own affairs.

(b) The Trustee, upon receipt of all resolutions, certificates, statements, opinions, reports, documents, orders or other instruments furnished to the Trustee which are specifically required to be furnished pursuant to any provision of this Agreement or any Supplement, shall examine them to determine whether they substantially conform to the requirements of this Agreement or any Supplement. The Trustee shall give prompt written notice to the Certificateholders of any material lack of conformity of any such instrument to the applicable requirements of this Agreement or any Supplement discovered by the Trustee which would entitle a specified percentage of the Certificateholders to take any action pursuant to this Agreement or any Supplement.

(c) Subject to Section ll.0l(a), no provision of this Agreement or any Supplement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct; provided, however, that:

(i) The Trustee shall not be personally liable for an error of judgment made in good faith by a Responsible Officer or Responsible Officers of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(ii) The Trustee shall not be personally liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with, unless otherwise specified herein, the direction of the CP Issuer (if it is adversely affected thereby) or the Holders of Investor Certificates evidencing Undivided Interests in the Trust aggregating more than 50% of the Invested Amount of any Series relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Agreement or any Supplement;

(iii) The Trustee shall not be charged with knowledge of any failure by the Servicer to comply with the obligations of the Servicer referred to in clauses (a), (b) or (c) of Section 10.01, or of the occurrence of any Event of Termination, unless a Responsible Officer of the Trustee obtains actual knowledge of such failure or the Trustee receives written notice of such failure from the Servicer, the CP Issuer or any Holders of Investor Certificates evidencing Undivided Interests aggregating not less than 10% of the Invested Amount of any Series adversely affected thereby; and

(iv) Prior to the occurrence of a Servicer Default of which a Responsible Officer has knowledge, and after the curing or waiver of such Servicer Defaults that may have occurred, the duties and obligations of the Trustee shall be determined solely by the express provisions of this Agreement and any Supplements, the Trustee shall not be liable except for the performance of such duties and obligations as shall be specifically set forth in this Agreement and any Supplement, no implied covenants or obligations shall be read into this Agreement or any Supplement against the Trustee and, in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of

the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and, if specifically required to be furnished pursuant to any provision of this Agreement or any Supplement, conforming to the requirements of this Agreement or such Supplement.

(d) The Trustee shall not be required to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it, and none of the provisions contained in this Agreement or any Supplement shall in any event require the Trustee to perform, or be responsible for the manner of performance of, any obligations of the Servicer under this Agreement or any Supplement except during such time, if any, as the Trustee shall be the successor to, and be vested with the rights, duties, powers and privileges of, the Servicer in accordance with the terms of this Agreement or any Supplement.

(e) Except for actions expressly authorized by this Agreement or any Supplement, the Trustee shall take no action reasonably likely to impair the interests of the Trust in any Receivable now existing or hereafter created or to impair the value of any Receivable now existing or hereafter created.

(f) Except as specifically provided in this Agreement or any Supplement, the Trustee shall have no power to vary the corpus of the Trust.

(g) If, to the knowledge of a Responsible Officer of the Trustee, the Paying Agent or the Transfer Agent and Registrar shall fail to perform any obligation, duty or agreement in the manner or on the day required to be performed by the Paying Agent or the Transfer Agent and Registrar, as the case may be, under this Agreement, the Trustee shall be obligated as soon as possible after such Responsible Officer obtains knowledge thereof and receives appropriate records, if any, to perform such obligation, duty or agreement in the manner so required.

(h) If the Transferor has agreed to transfer any of its receivables (other than the Receivables) to another Person, upon the written request of the Transferor, the Trustee will enter into such intercreditor agreements with the transferee of such receivables as are customary and necessary to identify separately the rights of the Trust and such other Person in the Transferor's receivables; provided that the Trustee shall not be required to enter into any intercreditor agreement which could adversely affect the interests of the Certificateholders or the Trustee and, upon the request of the Trustee, the Transferor will deliver an Opinion of Counsel on any matters relating to such intercreditor agreement, reasonably requested by the Trustee.

(i) Except as specifically otherwise provided in this Agreement, any action, suit or proceeding brought in respect of one or more particular Series or the Variable Funding Certificate shall have no effect on the Trustee's rights, duties and obligations hereunder with respect to any one or more Series or the Variable Funding Certificate not the subject of such action, suit or proceeding.

Section 11.02 Certain Matters Affecting the Trustee. Except as otherwise provided in Section 11.01:

(a) The Trustee may rely on and shall be protected in acting on, or in refraining from acting in accordance with, any resolution, Officers' Certificate, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document believed by it to be genuine and to have been signed or presented to it pursuant to this Agreement or any Supplement by the proper party or parties;

(b) The Trustee may consult with counsel and any advice or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it hereunder in good faith and in accordance with such advice or Opinion of Counsel;

(c) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement or any Supplement, or to institute, conduct or defend any litigation hereunder or in relation hereto or any Supplement, at the request, order or direction of any of the Certificateholders, pursuant to the provisions of this Agreement or any Supplement, unless such Certificateholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby; nothing contained herein shall, however, relieve the Trustee of the obligation, upon the occurrence of a Servicer Default (which has not been cured) of which a Responsible Officer has knowledge, to exercise such of the rights and powers vested in it by this Agreement or any Supplement, and to use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such prudent person's own affairs;

(d) Except as provided in Section 11.01(c)(3), the Trustee shall not be personally liable for any action taken, suffered or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement or any Supplement;

(e) The Trustee shall not be bound to make any investigation into the facts of matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper or document, unless requested in writing so to do by the CP Issuer if it could be adversely affected if the Trustee does not perform such acts, or by Holders of Investor Certificates evidencing

Undivided Interests aggregating more than 10% of the Invested Amount of any Series which could be adversely affected if the Trustee does not perform such acts; provided, however, that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation shall be, in the opinion of the Trustee, not reasonably - assured to the Trustee by the security afforded to it by the terms of this Agreement, the Trustee may require reasonable indemnity against such cost, expense or liability as a condition to so proceeding. The reasonable expense of every such examination shall be paid by the Servicer (or, if Ingram is no longer the Servicer, by Ingram) or, if paid by the Trustee, shall be reimbursed by the Servicer (or if Ingram is no longer the Servicer, by Ingram) upon demand;

(f) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys or custodians, and the Trustee shall not be responsible for any misconduct or negligence on the part of any such agent, attorney or custodian appointed with due care by it hereunder;

(g) Except as may be required by Section ll.0l(a) hereof, the Trustee shall not be required to make any initial or periodic examination of any documents or records related to the Receivables for the purpose of establishing the presence or absence of defects, the compliance by the Transferor or the Servicer with their representations and warranties or for any other purpose; and

(h) The right of the Trustee to perform any discretionary act enumerated in this Agreement or any Supplement shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct in the performance of any such act.

Section 11.03 Trustee Not Liable for Recitals in Certificates. The Trustee assumes no responsibility for the correctness of the recitals contained herein and in the Certificates (other than the certificate of authentication on the Certificates). Except as set forth in Section 11.15, the Trustee makes no representations as to the validity or sufficiency of this Agreement or any Supplement or of the Certificates (other than the certificate of authentication on the Certificates) or of any Receivable or related document. The Trustee shall not be accountable for the use or application by the Transferor of any of the Certificates or of the proceeds of such Certificates, or for the use or application of any funds paid to the Transferor in respect of the Receivables or deposited in the Collection Account or other accounts now or hereafter established to effectuate the transactions contemplated herein and in accordance with the terms hereof.

The Trustee shall have no duty to conduct any affirmative investigation as to the occurrence of any condition requiring the repurchase of any Receivable by the Transferor or the Servicer pursuant to this Agreement or any Supplement or the eligibility of any Receivable for purposes of this Agreement or any Supplement. The Trustee shall have no responsibility for filing any financing or continuation statement in any public office at any time or to otherwise perfect or maintain the perfection of any security interest or lien granted to it hereunder (unless the Trustee shall have become the Successor servicer) or to prepare or file any Securities and Exchange Commission filing for the Trust or to record this Agreement or any Supplement.

Section 11.04 Trustee May Own Certificates. The Trustee in its individual or any other capacity may become the owner or pledgee of Investor Certificates and may deal with the Transferor and the Servicer in banking transactions with the same rights as it would have if it were not the Trustee.

Section 11.05 The Servicer to Pay Trustee's Fees and Expenses. The Servicer covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to receive, reasonable compensation (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) for all services rendered by it in the execution of the trust hereby created and in the exercise and performance of any of the powers and duties hereunder or under any Supplement of the Trustee, and, subject to Section 8.04, the Servicer will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Agreement or any Supplement (including the reasonable fees and expenses of its agents and counsel) except any such expense, disbursement or advance as may arise from its negligence or bad faith and except as provided in the following sentence. If the Trustee is appointed Successor Servicer pursuant to Section 10.02, the provisions of this Section 11.05 shall not apply to expenses, disbursements and advances made or incurred by the Trustee in its capacity as Successor Servicer, which shall be covered out of the Servicing Fee. The provisions of this paragraph and Sections 8.04 and 8.09 shall survive the termination of the Trust and the resignation or removal of the Trustee.

Section 11.06 Eligibility Requirements for Trustee. The Trustee hereunder shall at all times be a corporation organized and doing business under the laws of the United States or any state thereof, including the District of Columbia, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $50,000,000 and subject to supervision or examination by Federal or state authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purpose of this Section 11.06, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 11.06, the Trustee shall resign immediately in the manner and with the effect specified in Section 11.07.

Section 11.07 Resignation or Removal of Trustee.

(a) The Trustee may at any time resign and be discharged from the trust hereby created by giving written notice thereof to the Transferor, the Servicer, CP Issuer and the Rating Agencies. Upon receiving such notice of resignation, the Servicer shall promptly appoint a successor trustee by written instrument, copies of which instrument shall be delivered to the resigning Trustee, the successor trustee, the Transferor and the Rating Agencies. If no successor trustee shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee.

(b) If at any time the Trustee shall cease to be eligible in accordance with the provisions of Section 11.06 hereof and shall fail to resign after written request therefor by the Servicer, or if at any time the Trustee shall be legally unable to act, or shall be adjudged a bankrupt or insolvent, or if a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Servicer may remove the Trustee and promptly appoint a successor trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee.

(c) Any resignation or removal of the Trustee pursuant to any of the provisions of this Section 11.07 shall not become effective until either (i) the Trust has been completely liquidated in accordance with Article XII of this Agreement and all proceeds of such liquidation have been distributed pursuant to the terms of this Agreement or (ii) acceptance of appointment by a successor trustee having the qualifications set forth in Section 26(a)(1) of the Investment Company Act of 1940 and Section 11.06 as provided in Section 11.08 hereof.

Section 11.08 Successor Trustee.

(a) Any successor trustee appointed as provided in Section 11.07 hereof shall execute, acknowledge and deliver to the Transferor and to its predecessor Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become fully vested with all the rights, powers, duties and obligations of its predecessor hereunder and under any Supplement with like effect as if originally named as Trustee herein. The predecessor Trustee shall deliver to the successor trustee all documents or copies thereof, at the expense of the Servicer, and statements held by it hereunder; and the Transferor and the predecessor Trustee shall execute and deliver such instruments and do such other things as may reasonably be required for fully and certainly vesting and confirming in the successor trustee all such rights, powers, duties and obligations. The Servicer shall immediately give notice to the Rating Agency upon the appointment of a successor trustee.

(b) No successor trustee shall accept appointment as provided in this Section 11.08 unless at the time of such acceptance such successor trustee shall be eligible under the provisions of Section 11.06 hereof.

(c) Upon acceptance of appointment by a successor trustee as provided in this Section 11.08 hereof, such successor trustee shall mail notice of such succession hereunder to all Certificateholders at their addresses as shown in the Certificate Register.

Section 11.09 Merger or Consolidation of Trustee. Any Person into which the Trustee may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any Person succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be eligible under the provisions of Section 11.06 hereof, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 11.10 Appointment of Co-Trustee or Separate Trustee.

(a) Notwithstanding any other provisions of this Agreement or any Supplement, at any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust may at the time be located, the Trustee shall have the power and may execute and deliver all instruments to appoint, with the prior written consent of the Servicer, one or more persons to act as a co-trustee or co-trustees, or separate trustee or separate trustees, of all or any part of the Trust, and to vest in such Person or Persons, in such capacity and for the benefit of the Certificateholders, such title to the Trust, or any part thereof, and, subject to the other provisions of this Section 11.10, such powers, duties, obligations, rights and trusts as the Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 11.06 and no notice to Certificateholders of the appointment of any co-trustee or separate trustee shall be required under Section 11.08 hereof. Any such appointment of a co-trustee shall not relieve the Trustee of its obligations under this Agreement.

(b) Every separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(i) All rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or

performed by the Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Trustee joining in such act), except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed (whether as Trustee hereunder or as successor to the Servicer hereunder), the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Trust Assets or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Trustee;

(ii) No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder; and

(iii) The Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Agreement and the conditions of this Article XI. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of this Agreement or any Supplement, specifically including every provision of this Agreement or any Supplement relating to the conduct of, affecting the liability of, or affording protection to, the Trustee. Every such instrument shall be filed with the Trustee and a copy thereof given to the Servicer.

(d) Any separate trustee or co-trustee may at any time constitute the Trustee, its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect to this Agreement or any Supplement on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

Section 11.11 Tax Returns. No federal income tax return shall be filed on behalf of the Trust unless either (i) the Trustee or the Servicer shall receive an Opinion of Counsel that the Code requires such a filing or (ii) the Internal Revenue Service shall determine that the Trust is required to file such a return. In the event the Trust shall be required to file tax returns, the Servicer shall prepare or shall cause to be prepared any tax returns required to be filed by the Trust and shall remit such returns to the Trustee for signature at least five days before such returns are due to be filed; the Trustee shall promptly sign such returns and deliver such returns after signature to the Servicer and such returns shall be filed by the Servicer. The Servicer in accordance with Section 5.02(b) shall also prepare or shall cause to be prepared all tax information required by law to be distributed to Investor Certificateholders and the CP Issuer. The Trustee, upon request, will furnish the Servicer with all such information known to the Trustee as may be reasonably required in connection with the preparation of all tax returns of the Trust, and shall, upon request, execute such returns. In no event shall the Trustee, the Servicer or the Transferor be liable for any liabilities, costs or expenses of the Trust, the CP Issuer, the Investor Certificateholders or the Certificate Owners arising out of the application of any tax law, including without limitation federal, state or local income or excise taxes or any other tax imposed on or measured by income (or any interest, penalty or addition with respect thereto or arising from a failure to comply therewith).

Section 11.12 Trustee May Enforce Claims Without Possession of Certificates. All rights of action and claims under this Agreement or any Supplement or the Certificates may be prosecuted and enforced by the Trustee without the possession of any of the Certificates or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Certificateholders in respect of which such judgment has been obtained.

Section 11.13 Suits for Enforcement. If a Servicer Default of which a Responsible Officer has knowledge shall occur and be continuing, the Trustee in its discretion may, subject to the provisions of Section 10.01, proceed to protect and enforce its rights and the rights of the Certificateholders under this Agreement or any Supplement by suit, action or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in this Agreement or any Supplement or in aid of the execution of any power granted in this Agreement or any Supplement or for the enforcement of any other legal, equitable or other remedy as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of the rights of the Trustee or the Certificateholders. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Certificateholder any plan of reorganization, arrangement, adjustment or composition affecting the Certificates or the rights of any holder thereof, or authorize the Trustee to vote in respect of the claim of any Certificateholder in any such proceeding.

Section 11.14 Rights of Certificateholders to Direct Trustee. The CP Issuer with respect to matters affecting the Variable Funding Certificate, Holders of Investor Certificates evidencing Undivided Interests aggregating more than 50% of the Invested Amount of any Series with respect to matters affecting the related Series, or both the CP Issuer and the Holders of Certificates aggregating together more than 50% of the affected Undivided

Interests with respect to matters affecting more than one Series or one or more Series and the Variable Funding Certificate, shall have the right to direct the time, method and place at or by which the Trustee conducts any proceeding for any remedy available to the Trustee, or exercises any such trust or power conferred upon the Trustee; provided, however, that, subject to Section 11.01, the Trustee shall have the right to decline to follow any such direction if the Trustee being advised by counsel determines that the action so directed may not lawfully be taken, or if the Trustee in good faith shall, by a Responsible Officer or Responsible Officers of the Trustee, determine that the proceedings so directed would be illegal or involve it in personal liability or be unduly prejudicial to the rights of Certificateholders not parties to such direction; and provided further that nothing in this Agreement or any Supplement shall impair the right of the Trustee to take any action deemed proper by the Trustee and which is not inconsistent with such direction of the Certificateholders.

Section 11.15 Representations and Warranties of Trustee. The Trustee represents and warrants, as of the Initial Closing Date and, with respect to any Series, as of the related Closing Date, that:

(i) The Trustee is a banking corporation organized, existing and in good standing under the laws of the State of New York;

(ii) The Trustee has full power, authority and right to execute, deliver and perform this Agreement, and has taken all necessary action to authorize the execution, delivery and performance by it of this Agreement;

(iii) This Agreement has been duly executed and delivered by the Trustee;

(iv) The Trustee is not required to obtain, other than those that have already been obtained, any authorization, consent, approval, exemption or license from, or to file any registration with, any Governmental Authority having jurisdiction over the trust powers of the Trustee, as a condition to the validity of, or for the execution and delivery of, this Agreement, or to the performance by the Trustee of its obligations under this Agreement; and

(v) This Agreement constitutes the legal, valid and binding obligation of the Trustee, enforceable in accordance with its terms (subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally).

Section 11.16 Maintenance of Office or Agency. The Trustee will maintain at its expense in the Borough of Manhattan, The City of New York, an office or offices or agency or agencies where notices and demands to or upon the Trustee in respect of the Certificates and this Agreement may be served. The Trustee initially appoints the Corporate Trust Office as its office for such purposes in New York. The Trustee will give prompt written notice to the Servicer and to Certificateholders of any change in the location of the Certificate Register or any such office or agency.

Section 11.17 Notices. The Trustee shall promptly deliver to the Transferor and the Servicer any notices it receives in connection with the Facilities Documents which are not otherwise delivered to such parties unless a Responsible Officer of the Trustee reason ably believes that a copy of such notice has previously been so delivered.

[END OF ARTICLE XI]

ARTICLE XI I

TERMINATION

Section 12.01 Termination of Trust. (a) The respective obligations and responsibilities of the Seller, the Servicer and the Trustee created hereby (other than the obligation of the Trustee to make payments to Certificateholders as hereafter set forth) shall terminate, except with respect to the duties described in Sections 8.04, 11.05 and 12.03(b), on the Business Day after the day on which funds shall have been deposited in the Collection Account at the times and in the amounts provided for in this Agreement (including, without limitation, Sections 2.04, 12.01(b), 12.02 and Article IV hereof) sufficient to pay the Aggregate Invested Amount plus the Issuer Amount plus interest accrued at the applicable Certificate Rates or Issuer's Interest Rate through the last day of the month preceding the next Payment Date in full with respect to each Series of Certificates and the Variable Funding Certificate; provided, however, that in no event shall the trust created by this Agreement continue beyond the expiration of 21 years from the death of the last survivor of the descendants, living on the date of this Agreement, of George Herbert Walker Bush, former President of the United States of America (the "Final Trust Termination Date"). The Servicer shall promptly notify the Trustee of any prospective termination pursuant to this Section 12.01(a) ten days in advance.

(b) If on the Transfer Date in the month immediately preceding the month in which the Final Trust Termination Date occurs (after giving effect to all transfers, withdrawals, deposits and drawings to occur on such date and the payment of principal on the Variable Funding Certificate or any Series of Investor Certificates to be made on the related Payment Date pursuant to Section 4.06) the sum of the Issuer Amount and Invested Amount of any Series would be greater than zero, the Servicer on behalf of the Trust shall sell in a commercially reasonable manner within 30 days of such Transfer Date all of the Receivables and the Related Security. The proceeds of such sale, net of all reasonable expenses of the Trustee incurred in connection with such sale, which shall be paid to the Trustee from such proceeds, shall

be treated as Collections of the Receivables and shall be allocated in accordance with Section 4.03. During such 30-day period, the Servicer shall continue to collect Collections on the Receivables and allocate such payments in accordance with the provisions of Section 4.03.

Section 12.02 Optional Purchase and Series Termination Date of Investor Certificates of any Series or the Variable Funding Certificate.

(a) If provided in any Supplement, on a Payment Date the Transferor may, but shall not be obligated to, purchase any Series of Investor Certificates or the Variable Funding Certificate by depositing into the Collection Account, on the preceding Transfer Date, an amount equal to the Invested Amount thereof or the Issuer Amount, as the case may be, plus interest accrued and unpaid thereon at the applicable Certificate Rate or Issuer's Interest Rate, as applicable through the Record Date preceding the Payment Date on which the purchase will be made; provided, however that no such purchase of any Certificates shall occur unless the Transferor shall deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee to the effect that such purchase of any Certificates would not constitute a fraudulent conveyance of the Transferor.

(b) The amount deposited pursuant to Section 12.02(a) shall be paid to the Investor Certificateholders of the related Series or the Holder of the Variable Funding Certificate, as applicable, pursuant to Sections 4.04, 4.05 and 4.06 on the Payment Date following the date of such deposit. All Certificates which are purchased by the Transferor pursuant to Section 12.02(a) shall be delivered by the Transferor upon such purchase to, and be cancelled by, the Transfer Agent and Registrar and be disposed of in a manner satisfactory to the Trustee and the Transferor. The Variable Funding Certificate once retired may be reissued under Section 6.09 hereof as if it had never been issued prior to its reissuance.

(c) All principal or interest with respect to any Series of Investor Certificates and the Variable Funding Certificate shall be due and payable no later than the Series Termination Date with respect to such Series or the Variable Funding Certificate. Unless otherwise provided in a Supplement, in the event that (i) the Invested Amount of any Series of Certificates or (ii) the Issuer Amount is greater than zero on its Series Termination Date, the Trustee will use its best efforts to sell or cause to be sold in a commercially reasonable manner, and pay the proceeds (net of all reasonable expenses of the Trustee incurred in connection with such sale, which shall be paid to the Trustee from such proceeds), to the extent necessary, to all Certificateholders of such Series pro rata or to the Holder of the Variable Funding Certificate, as applicable, in final payment of all principal of and accrued interest on such Series of Certificates or the Variable Funding Certificate, an amount of Receivables and Related Security up to 110% of (i) the Invested Amount of such Series or (ii) the Issuer Amount, as applicable, at the close of business on such date; provided, however, that no selection procedures believed to be adverse to Certificateholders shall be used in selecting such Receivables and in no event shall the amount of Receivables and Related Security sold cause the Transferor Amount to be less than or equal to zero. Any proceeds of such sale in excess of such principal and interest paid and the expenses of the Trustee shall be paid to the Transferor. Upon payment of the proceeds of such sale as provided in this Section 12.02(c), all principal of and accrued interest on such Series or the Variable Funding Certificate shall be deemed for all purposes to have been paid in full. Upon such Series Termination Date, or (if applicable) on the first Payment Date following the sale of Receivables and Related Security called for above in this Section 12.02(c), with respect to the applicable Series of Certificates or the Variable Funding Certificate, final payment of all amounts allocable to any Investor Certificates of such Series or the Variable Funding Certificate, as applicable, shall be made in the manner provided in Section 12.03.

Section 12.03 Final Payment.

(a) Written notice of any termination, specifying the Payment Date upon which the Holder of the Variable Funding Certificate or the Investor Certificateholders of any Series may surrender their Certificates for payment of the final distribution with respect to the Variable Funding Certificate or such Series and cancellation, shall be given (subject to at least ten days' prior notice from the Servicer to the Trustee) by the Trustee to the CP Issuer or the Investor Certificateholders of such Series mailed not later than the fifth day of the month of such final distribution specifying (i) the Payment Date (which shall be the Payment Date in the month in which the deposit is made pursuant to Section 2.04 or 12.02(a)) upon which final payment of the Variable Funding Certificate or such Investor Certificates will be made upon presentation and surrender of such Certificates at the office or offices therein designated, (ii) the amount of any such final payment and (iii) that the Record Date otherwise applicable to such Payment Date is not applicable, payments being made only upon presentation and surrender of the Investor Certificates at the office or offices therein specified. The Servicer's notice to the Trustee in accordance with the preceding sentence shall be accompanied by an Officers' Certificate setting forth the information specified in Section 5.02(a), as applicable, covering the period during the then current calendar year through the date of such notice and setting forth the date of such final distribution. The Trustee shall give such notice to the Transfer Agent and Registrar and the Paying Agent at the time such notice is given to such Certificateholders. Any final payment of the Variable Funding Certificate shall be made upon presentation thereof by wire transfer in immediately available funds.

(b) Notwithstanding the termination of the Trust pursuant to Section 12.01(a) or the occurrence of the Series Termination Date with respect

to any Series pursuant to Section 12.02, all funds then on deposit in the Collection Account shall continue to be held in trust for the benefit of the Certificateholders and the Paying Agent or the Trustee shall pay such funds to the Certificateholders upon surrender of their Certificates. In the event that all of the Investor Certificateholders of all, or the applicable, Series, shall not surrender their Certificates for cancellation within six months after the date specified in the above-mentioned written notice, the Trustee shall give a second written notice to the remaining Investor Certificateholders, upon receipt of the appropriate records from the Transfer Agent and Registrar to surrender their Certificates for cancellation and receive the final distribution with respect thereto. If within one year after the second notice all, or the applicable Investor Certificates of such Series shall not have been surrendered for cancellation, the Trustee may take appropriate steps, or may appoint an agent to take appropriate steps, to contact the remaining Investor Certificateholders concerning surrender of their Certificates, and the cost thereof shall be paid out of the funds in the Collection Account held for the benefit of such Investor Certificateholders.

(c) All Certificates surrendered for payment of the final distribution with respect to such Certificates and cancellation, shall be cancelled by the Transfer Agent and Registrar and be disposed of in a manner satisfactory to the Trustee. Upon the termination of the Trust, the Transferor shall return the Transferor Certificate to the Trustee, and the Trustee shall dispose of such Certificates in a manner satisfactory to the Trustee.

Section 12.04 Transferor's Termination Rights. Upon the termination of the Trust pursuant to Section 12.01 and the surrender of the Transferor Certificate, the Trustee shall return to the Transferor (without recourse, representation or warranty) all right, title and interest of the Trust in the Receivables and the other Trust Assets, whether then existing or thereafter created, all moneys due or to become due with respect thereto, and all proceeds thereof except for amounts held by the Trustee pursuant to Section 12.03(b). The Trustee shall execute and deliver such instruments of transfer and assignment, in each case prepared by the Transferor and without recourse, representation or warranty, as shall be reasonably requested by the Transferor to vest in the Transferor all right, title and interest which the Trust had in the Receivables and other Trust Assets.

[END OF ARTICLE XII]

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 13.01 Amendment.

(a) This Agreement or any Supplement may be amended from time to time by the Servicer, the Transferor and the Trustee, without the consent of any of the Certificateholders, to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other provisions herein or to add any other provisions with respect to matters or questions raised under this Agreement which shall not be inconsistent with the provisions of this Agreement; provided, however, that such action shall not, as evidenced by an Opinion of Counsel delivered to the Trustee, adversely affect in any material respect the interests of the CP Issuer or the Investor Certificateholders.

(b) This Agreement and any Supplement may also be amended from time to time by the Servicer, the Transferor and the Trustee with the prior consent of (i) the Holder of the Variable Funding Certificate, if it would be adversely affected by such amendment and (ii) the Holders of Investor Certificates evidencing Undivided Interests aggregating not less than 65% of the Invested Amount of all Series materially adversely affected thereby, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement or of modifying in any manner the rights of the Variable Funding Certificate or the Investor Certificateholders of any Series then issued and outstanding; provided, however, that no such amendment under this subsection shall (i) reduce in any manner the amount of, or delay the timing of, distributions which are required to be made (x) on the Variable Funding Certificate or (y) any Investor Certificate of such Series without the consent of the Holder of the Variable Funding Certificate or the related Investor Certificateholder, respectively; (ii) change the definition of or the manner of calculating the interest of (x) the Variable Funding Certificate or (y) any Investor Certificate without the consent of the Holder of the Variable Funding Certificate or the related Investor Certificateholders, respectively; (iii) reduce the aforesaid percentage required to consent to any such amendment by the Investor Certificateholders, in each case without the consent of all such Investor Certificateholders; (iv) without the consent of the Required Banks and the Required LOC Issuers, amend (A) Article IV as it relates to the Variable Funding Supplement (including such portions of Article IV which may be restated in the Variable Funding Supplement) or any definition to the extent used therein, (B) the definition of Discount Factor in a manner which shall cause a reduction thereof, or (C) Section 9.02 or (v) be effective unless each Rating Agency first shall have confirmed in writing that such amendment will not result in such Rating Agency reducing or withdrawing its rating on any outstanding Series or on the Commercial Paper.

(c) Promptly after the execution of any such amendment or consent the Trustee shall furnish written notification of the substance of such amendment to the Holder of the Variable Funding Certificate and each Investor Certificateholder, and the Servicer shall furnish written notification of the substance of such amendment to any Rating Agency.

(d) It shall not be necessary for the consent of the Investor Certificateholders under this Section 13.01 to approve the particular form of

any proposed amendment, but it shall be sufficient if such consent shall approve the substance thereof. The manner of obtaining such consents and of evidencing the authorization of the execution thereof by the Persons required to consent under Section 13.01 shall be subject to such reasonable requirements as the Trustee may prescribe.

(e) [Reserved].

(f) Prior to the execution of any amendment to this Agreement or any Supplement, the Trustee shall be entitled to receive and rely upon an Opinion of Counsel stating that the execution of such amendment is authorized or permitted by this Agreement and that all conditions precedent to the execution and delivery of such amendment have been satisfied and, if applicable, the Opinion of Counsel required by Section 13.02(c). The Trustee may, but shall not be obligated to, enter into any such amendment which affects the Trustee's own rights, duties or immunities under this Agreement, any Supplement or otherwise.

Section 13.02 Protection of Right, Title and Interest of Trust.

(a) The Servicer shall cause this Agreement, any Supplement, all amendments hereto or thereto and/or all financing statements and continuation statements and any other necessary documents covering the Certificateholders and the Trustee's right, title and interest to the Trust Assets to be promptly recorded, registered and filed, and at all times to be kept recorded, registered and filed, all in such manner and in such places as may be required by law fully to preserve and protect the right, title and interest of the Trustee hereunder to all property comprising the Trust Assets. The Servicer shall deliver to the Trustee file-stamped copies of, or filing receipts for, any document recorded, registered or filed as provided above, as soon as available following such recording, registration or filing. The Transferor shall cooperate fully with the Servicer in connection with the obligations set forth above and will execute any and all documents reasonably required to fulfill the intent of this Section 13.02(a).

(b) The Servicer will give the Trustee prompt written notice of any relocation of any office from which it services Receivables or keeps records concerning the Receivables or of its principal place of business or chief executive office and whether, as a result of such relocation, the applicable provisions of the UCC would require the filing of any amendment of any previously filed financing or continuation statement or of any new financing statement and shall file such financing statements or amendments as may be necessary to perfect or to continue the perfection of the Trust's ownership or security interest in the Receivables and the other Trust Assets. The Servicer will at all times maintain each office from which it services Receivables and the Related Security and its principal executive office within the United States of America.

(c) The Servicer will deliver to the Trustee: (i) upon the execution and delivery of each amendment of Articles I, II, III or IV hereof other than amendments pursuant to Section 13.01(a), and (ii) on or before April 30 of each year, beginning with 1994, an Opinion of Counsel (which may be in-house counsel), substantially in the form of Exhibit M hereto, dated as of a date between January 1 and April 30 of such year.

(d) If at any time the Servicer is no longer Ingram, the Transferor shall deliver to the Successor Servicer powers-of-attorney such that such Successor Servicer may perform the obligations set forth in Sections 13.02(a), 13.02(b) and 13.02(c).

Section 13.03 Limitation on Rights of Certificateholders.

(a) The death or incapacity of any Certificateholder shall not operate to terminate this Agreement or the Trust, nor shall such death or incapacity entitle such Certificateholders' legal representatives or heirs to claim an accounting or to take any action or commence any proceeding in any court for a partition or winding up of the Trust, nor otherwise affect the rights, obligations and liabilities of the parties hereto or any of them.

(b) No Certificateholder shall have any right to vote (except as specifically provided in this Agreement or any Supplement) or in any manner otherwise control the operation and management of the Trust, or the obligations of the parties hereto, nor shall anything herein set forth, or contained in the terms of the Certificates, be construed so as to constitute the Certificateholders from time to time as partners or members of an association; nor shall any Certificateholder be under any liability to any third person by reason of any action taken by the parties to this Agreement pursuant to any provision hereof.

(c) No Certificateholder shall have any right by virtue of any provisions of this Agreement or any Supplement to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Agreement, unless the Holder of the Variable Funding Certificate (if it may be adversely affected but for the institution of such suit, action or proceeding), or the Holders of Investor Certificates evidencing Undivided Interests in the Trust aggregating more than 50% of the Invested Amount of any Series which may be materially adversely affected but for the institution of such suit, action or proceeding shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee, for 60 days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding; it being understood and intended, and being expressly covenanted by each

Certificateholder with every other Certificateholder and the Trustee, that no one or more Certificateholders shall have any right in any manner whatever by virtue or by availing itself or themselves of any provisions of this Agreement or any Supplement to affect, disturb or prejudice the rights of the Certificateholders of any other of the Certificates, or to obtain or seek to obtain priority over or preference to any other such Certificateholder, or to enforce any right under this Agreement or any Supplement, except in the manner herein provided and for the equal, ratable and common benefit of all Certificateholders. For the protection and enforcement of the provisions of this Section 13.03, each and every Certificateholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Section 13.04 Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 13.05 Notices. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or five days after mailing by certified or registered mail, return receipt requested, (a) in the case of Ingram to One Belle Meade Place, 4400 Harding Road, Nashville, Tennessee 37205, Attention: Treasurer; (b) in the case of the Trustee, to the Corporate Trust Office; (c) in the case of the Transferor to 1105 North Market Street, Wilmington, Delaware 19801, Attention: President; (d) in the case of the Holder of the Variable Funding Certificate to c/o Merrill Lynch, World Financial Center, South Tower, 225 Liberty Street, 8th Floor, New York, New York 10080-6108 Attention: Gary Carlin, Treasurer; or, as to each party, at such other address as shall be designated by such party in a written notice to each other party. Any notice required or permitted to be mailed to a Certificateholder shall be given by first class mail, postage prepaid, at the address of such Certificateholder as shown in the Certificate Register. Notwithstanding any other provision hereof, any notice or consent hereunder to be given or made by the Holder of or with respect to the Variable Funding Certificate shall be effective if made by or to the Collateral Agent. Any notice so mailed within the time prescribed in this Agreement shall be conclusively presumed to have been duly given, whether or not the Certificateholder receives such notice.

Copies of all notices, reports, certificates and amendments required to be delivered to the Rating Agencies hereunder shall be mailed to the Rating Agencies as follows: Fitch Investors Service, Inc., One State Street Plaza, New York, NY 10007, Attention: Asset-Backed Surveillance Group and Standard & Poor's Corporation, 26 Broadway, 15th Floor, New York, NY 10004, Attention: Asset-Backed Surveillance Group.

Section 13.06 Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Agreement shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement or of the Certificates or rights of the Certificateholders thereof.

Section 13.07 Assignment. Notwithstanding anything to the contrary contained herein, except as provided in Sections 8.02 or 8.05, this Agreement, including any Supplement, may not be assigned by the Servicer without the prior consent of the Holder of the Variable Funding Certificate, and the Holders of Investor Certificates evidencing Undivided Interests aggregating not less than 65% of the Invested Amount of the Investor Certificates of each Series.

Section 13.08 Certificates Nonassessable and Fully Paid. It is the intention of the parties to this Agreement that the Certificateholders shall not be personally liable for obligations of the Trust, that the interests in the Trust represented by the Certificates shall be nonassessable for any losses or expenses of the Trust or for any reason whatsoever, and that Certificates upon authentication thereof by the Trustee pursuant to Sections 2.07 and 6.02 are and shall be deemed fully paid.

Section 13.09 Further Assurances. The Transferor and the Servicer agree to do and perform, from time to time, any and all acts and to execute any and all further instruments required or reasonably requested by the Trustee more fully to effect the purposes of this Agreement, including, without limitation, the execution of any financing statements or continuation statements relating to the Receivables and the other Trust Assets for filing under the provisions of the UCC of any applicable jurisdiction.

Section 13.10 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Trustee or the Certificateholders, 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 13.11 Counterparts. This Agreement and any Supplement may be executed in two or more counterparts (and by different parties on separate counter parts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

Section 13.12 Third-Party Beneficiaries. This Agreement and any Supplement will inure to the benefit of and be binding upon the parties hereto, and, in addition, shall inure to the benefit of the Certificateholders and their respective successors and permitted assigns. Except as otherwise provided in this Article XIII or Section 7.04, no other Person will have any right or obligation hereunder.

Section 13.13 Actions by Certificateholders.

(a) Wherever in this Agreement or any Supplement, a provision is made that an action may be taken or a notice, demand or instruction given by Investor Certificateholders, such action, notice or instruction may be taken or given by any Investor Certificate holder of any Series, unless such provision requires a specific percentage of Investor Certificateholders of a certain Series or all Series.

(b) Any request, demand, authorization, direction, notice, consent, waiver or other act by a Certificateholder shall bind such Certificateholder and every subsequent holder of such Certificate issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done or omitted to be done by the Trustee or the Servicer in reliance thereon, whether or not notation of such action is made upon such Certificate.

(c) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Agreement or any Supplement to be given or taken by Certificateholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Certificateholders in person or by agent duly appointed in writing; and except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, when required, to the Transferor or the Servicer. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Agreement or any Supplement and conclusive in favor of the Trustee, the Transferor and the Servicer, if made in the manner provided in this Section.

(d) The fact and date of the execution by any Certificateholder of any such instrument or writing may be proved in any reasonable manner which the Trustee deems sufficient.

(e) The Trustee may require such additional proof of any matter referred to in this Section as it shall deem necessary.

Section 13.14 Merger and Integration. Except as specifically stated otherwise herein, this Agreement sets forth the entire understanding of the parties relating to the subject matter hereof, and all prior understandings, written or oral, are superseded by this Agreement. This Agreement may not be modified, amended, waived or supplemented except as provided herein.

Section 13.15 Headings. The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

Section 13.16 No Bankruptcy Petition Against the Transferor. The Trustee (solely as Trustee, Paying Agent and successor Servicer, if applicable), any Paying Agent other than the Trustee, the Servicer and by its acceptance of its Certificate, the Holder of the Variable Funding Certificate and each Holder of an Investor Certificate, severally and not jointly, each hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of the Issuer Amount and all Invested Amounts, it will not institute against, or join any other Person in instituting against, the Transferor any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States.

[END OF ARTICLE XIII]

IN WITNESS WHEREOF, Ingram Funding Inc., Ingram Industries Inc. and the Trustee have caused this Agreement to be duly executed by their respective officers as of the day and year first above written.

INGRAM FUNDING INC.,
as Transferor

/s/
By _____
Name:
Title:

INGRAM INDUSTRIES INC.
as Servicer

/s/
By _____
Name:
Title:

CHEMICAL BANK,
as Trustee

/s/
By _____
Name:
Title:

EXHIBIT E

[CHART TO BE INSERTED HERE]

EXHIBIT F

FORM OF ANNUAL SERVICER'S CERTIFICATE

INGRAM FUNDING MASTER TRUST

The undersigned, a duly authorized representative of Ingram Industries, Inc. ("Ingram"), as Servicer pursuant to the Pooling and Servicing Agreement dated as of February 10, 1993 (the "Pooling and Servicing Agreement") by and among Ingram Funding Inc. (the "Transferor"), Ingram as Servicer and Chemical Bank, as trustee (the "Trustee") does hereby certify that:

1. Ingram is Servicer under the Pooling and Servicing Agreement.

2. The undersigned is duly authorized pursuant to the Pooling and Servicing Agreement to execute and deliver this Certificate to the Trustee.

3. This Certificate is delivered pursuant to Section 3.05 of the Pooling and Servicing Agreement.

4. A review of the activities of the Servicer during (the period from the Closing Date until) (the approximately twelve month period ended) [ ], 19_ and of its performance under the Pooling and Servicing Agreement was conducted under our supervision.

5 To the best of our knowledge, based on such review, the Servicer has, or has caused to be, fully performed all its obligations under the Pooling and Servicing Agreement throughout such period and no default in the performance of such obligations has occurred or is continuing except as set forth in paragraph 6 below.

6. The following is a description of each default in the performance of the Servicer's obligations under the provisions of the Pooling and Servicing Agreement, including any Supplement, known to us to have been made during such period which sets forth in detail (i) the nature of each such default, (ii) the action taken by the Servicer, if any, to remedy each such default and (iii) the current status of each such default:

[If applicable, insert "None."]

IN WITNESS WHEREOF, the undersigned has duly executed this certificate this _ day of _____, _____ .

INGRAM INDUSTRIES INC.

_____
Name:
Title:

SCHEDULE I

CERTIFICATE OF TRUSTEE AS TO
COLLECTION ACCOUNT AND TRANSFEROR ACCOUNT

This Certificate is being provided pursuant to Section 6.01(n)(i) of the Liquidity Agreement, dated as of February 10, 1993, among Distribution Funding Corporation, Ingram Funding Inc., Ingram Industries Inc., the banks named therein, and Chemical Bank, as Liquidity Agent. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Liquidity Agreement.

I do hereby certify on behalf of Chemical Bank, as Trustee (the "Trustee"), under the Pooling and Servicing Agreement, dated as of February 10, 1993, among the Trustee, Ingram Industries Inc., and Ingram Funding Inc., that the Trustee has established the following trust accounts in accordance with Section 4.02(a) of the Pooling and Servicing Agreement:

Collection Account, Trust Account No. 323-300065; and Transferor Account, Trust Account NO. 323-300634.

CHEMICAL BANK,
as Trustee

/s/
By: _____
Name: Thomas C. Monahan
Title: Assistant Vice President

EXHIBIT K

INGRAM FUNDING INC.
Lockbox Listing
January 11, 1993

INGRAM FUNDING INC. - BOOK
PO Box 65155
Charlotte, NC 28265-0155
(Nations Bank)

INGRAM FUNDING INC. - BOOK
PO Box 845361
Dallas, TX 75285
(NationsBank)

INGRAM FUNDING INC. - ENTERTAINMENT
PO Box 651493
Charlotte, NC 28265-1493
(NationsBank)

INGRAM FUNDING INC. - ENTERTAINMENT
PO Box 841354
Dallas, TX 75284-1354
(NationsBank)

INGRAM FUNDING INC. - ENTERTAINMENT
PO Box 91407 & 91728 (UPS only)
Chicago, IL 60693-1407
(Continental Bank)

INGRAM FUNDING INC. - MICRO
PO Box 1188 (UPS only)
Buffalo, NY 14240
(Marine Midland)

INGRAM FUNDING INC. - MICRO
PO Box 65610
Charlotte, NC 28265
(Nations Bank)

INGRAM FUNDING INC. - MICRO
PO Box 841381
Dallas, TX 75284 1381
(NationsBank)

INGRAM FUNDING INC. - MICRO
PO Box 98874
Chicago, IL 60693
(Continental Bank)

INGRAM FUNDING INC. - MICRO
File #31135
Los Angeles, CA 90074-1135
(Bank of America)

INGRAM FUNDING INC. - MICRO
File #72452
PO Box 60000
San Francisco, CA 94160-2452
(Bank of America)

EXHIBIT M

FORM OF ANNUAL OPINION OF COUNSEL

The opinion set forth below, which is to be delivered pursuant to subsection 13.02(c)(ii) of the Pooling and Servicing Agreement, may be subject to certain qualifications, assumptions, limitations and exceptions taken or made in the opinion of counsel delivered on the Initial Closing Date with respect to similar matters.

No filing or other action, other than such filing or action described in such opinion, is necessary from the date of such opinion through [date between January l and April 30] of the following year to continue the perfected status of the interest of the Trust in the collateral described in the financing statements referred to in such opinion.

EXHIBIT 10.26

AMENDMENT NO. 1

This AMENDMENT NO. 1 amends each of

(i) the Pooling and Servicing Agreement dated as of February 12, 1993 (the "Pooling and Servicing Agreement"), as supplemented by the Variable Funding Supplement dated as of February 12, 1993, the Series 1993-1 Supplement dated as of July 23, 1993 (the "Series 1993-1 Supplement") and the Series 1993-2 Supplement dated as of July 23, 1993 (the "Series 1993-2 Supplement"), each among Ingram Funding Inc. ("Funding"), Ingram Industries Inc. ("Ingram") and Chemical Bank, as Trustee (the "Trustee"),

(ii) the Asset Purchase and Sale Agreement dated as of February 12, 1993 (the "Micro Purchase Agreement") between Ingram Micro Inc. ("Micro") and Ingram,

(iii) the Asset Purchase and Sale Agreement dated as of February 12, 1993 (the "Commtron Purchase Agreement") between Commtron Corp. ("Commtron) and Ingram,

(iv) the Asset Purchase and Sale Agreement dated as of February 12, 1993 (the "Purchase Agreement") between Funding and Ingram, and

(v) the Liquidity Agreement dated as of February 12, 1993 (the "Liquidity Agreement") among Distribution Funding Corporation (the "CP Issuer"), Funding, Ingram, Chemical Bank ("Chemical"), NationsBank of North Carolina, N.A. ("NationsBank"), The Bank of Nova Scotia ("BNS" and, together with Chemical and NationsBank, the "Banks"), Chemical, as agent for the Banks, with BNS, NationsBank and the Industrial Bank of Japan, Limited, Atlanta Agency, as Lead Managers,

and is entered into as of January 31, 1994 by and among each of the above-named parties to the Pooling and Servicing Agreement, the Micro Purchase Agreement, the Commtron Purchase Agreement, the Purchase Agreement and the Liquidity Agreement (collectively, the "Agreements").

WHEREAS, the parties to each of the Agreements desire to enter into certain amendments thereto and to consent to all such amendments to all such Agreements,

NOW, THEREFORE, in consideration of the foregcing and the mutual agreements contained herein, the parties hereto agree as follows:

1. Defined Terms. Capitalized terms used and not otherwise defined herein shall have the meanings assigned thereto in, or for purposes of, the Agreement(s) in which such term is used.

2. Amendments to Pooling and Servicing Agreement. The Pooling and Servicing Agreement shall be amended as follows:

(a) Consents.

(i) Sections 2.06(i), 2.06(q) and 3.03(k) thereof are hereby amended by deleting from each such Section the provision which requires the consent of the Required Banks ("Bank Consent") to certain actions described therein, and by substituting in lieu thereof a provision requiring consent ("Aggregate Consent") from the holders of not less than 65% of the Third-Party Interests in the Trust. The "Third Party Interests" in the Trust shall mean the sum of (1) the aggregate Invested Amount of all Series of Investor Certificates (subject to paragraph (ii) below) and (2) the Applicable Liquidity Commitment of the Banks. The "Applicable Liquidity Commitment" of the Banks will mean the Liquidity Commitment then in effect, provided, that if at any time pursuant to the Liquidity Agreement the CP Issuer is not permitted to effect an additional Credit Utilization either through issuance of additional Commercial Paper or incurrence of additional Revolving Loans, whether by reason of Section 2.01 or Section 6.02 of the Liquidity Agreement or otherwise, then for so long as such Credit Utilization remains unavailable to the CP Issuer, the Applicable Liquidity Commitment shall mean the amount of the Liquidity Commitment corresponding to the Aggregate CP Matured Value of Outstanding Commercial Paper and the principal amount of outstanding Loans and LOC Disbursements under the LOC, if any, as to which the Banks remain at risk. In determining whether at least 65% of the holders of Third-Party Interests have consented, each Holder of an Investor Certificate may vote its Invested Amount relative to the aggregate Third-Party Interests, and each Bank may vote its allocable share of the Applicable Liquidity Commitment relative to the aggregate Third-Party Interests.

(ii) For purposes of all provisions requiring the vote of Holders of Investor Certificates (whether in respect of obtaining Series Consent under either the Series 1993-1 Supplement or the Series 1993-2 Supplement or Aggregate Consent or with respect to any other provision of the Pooling and Servicing Agreement or otherwise), for so long as Class B Certificates of Series 1993-1, Class B Certificates of Series 1993-2 or Investor Certificates of any other Series are held by the Transferor, Ingram or any Affiliate thereof, such Certificates shall not be voted in connection with any such vote, and the Invested Amount thereof shall be deducted from the aggregate Invested Amount of the Series 1993-1 Certificates, the Series 1993-2 Certificates and any other Series of Investor Certificates for purposes of calculating such aggregate Invested Amount entitled to vote.

(b) Successor Servicer; Servicing Fee.

(i) The Trustee and Ingram hereby confirm that the intention of Sections 3.02 and 10.02 of the Pooling and Servicing Agreement with respect to the selection of a Successor Servicer and responsibility for payment of the Servicing Fee thereto, and the agreement of the Trustee and Ingram with respect to such matters, is as follows:

Qualifications. Section 10.02(a) provides that the Trustee shall as promptly as possible after the giving of a Termination Notice appoint an Eligible Servicer as a Successor Servicer. Accordingly, any such Successor Servicer initially must satisfy the definition of "Eligible Servicer". Section 10.02(a) further provides that such Successor Servicer must have obtained confirmation from each Rating Agency that the then outstanding rating on the Commercial Paper or any outstanding Series will not be reduced or withdrawn.

Selection. Section 10.02(c) contemplates that the Trustee would obtain bids from Eligible Servicers connection with selecting a Successor Servicer. The Transferor and Ingram could participate in obtaining such bids. The Trustee could select among any Eligible Servicers providing bids not greater than the "Trust Servicing Fee" described below and, if only one Eligible Servicer submitted such a bid, the Trustee would select such Eligible Servicer. If no Eligible Servicer submits a bid for less than or equal to the Trust Servicing Fee, then the Trustee shall select the Eligible Servicer submitting the bid that least exceeds the Trust Servicing Fee. Notwithstanding the foregoing, Ingram could direct the Trustee to select an Eligible Servicer that would otherwise not be selected by reason of submitting a higher bid so long as Ingram agreed to be responsible for the Servicing Fee in excess of the Trust Servicing Fee.

Servicing Fee. Section 3.02 provides that unless otherwise agreed, the Servicing Fee with respect to a Successor Servicer shall be at least 0.25% per annum of the daily average Unpaid Balances of the Receivables (the "Trust Servicing Fee"). Pursuant to Section 10.02(c), the Trust Servicing Fee is the highest Servicing Fee that can be paid to a Successor Servicer from Imputed Yield Collection allocable to either the Variable Funding Certificate or any Series unless otherwise provided in the related Supplement or subsequently agreed to by all Certificateholders affected thereby. As described above, an Eligible Servicer could submit a bid for less than the Trust Servicing Fee. If all bids from Eligible Servicers exceed the Trust Servicing Fee, then (1) a Successor Servicer shall be selected based on the bids received as described above, (2) the consent of Ingram is not required in order to select a Successor Servicer charging a Servicing Fee in excess of the Trust Servicing Fee, and (3) pursuant to Section 10.02(c) Ingram will be responsible for the payment to such Successor Servicer of the portion of its Servicing Fee in excess of the Trust Servicing Fee.

(ii) The Trustee and Ingram agree that any Successor Servicer selected as described above must be ratified by Aggregate Consent.

(c) Consent to Successor Trustee.

Ingram agrees that any Successor Trustee selected by Ingram in accordance with Section 11.07 of the Pooling and Servicing Agreement must be ratified by Aggregate Consent.

(d) Certain Technical Corrections.

Funding, Ingram and the Trustee agree that the following provisions of the Pooling and Servicing Agreement, including Annex X thereto, are hereby modified and shall be construed as indicated:

(i) The cross-reference to "Section 2.02(c)" in line 6 on page 11 of the Agreement shall be changed to "Section 2.01(d)";

(ii) In Sections 12.01 and 12.02 of the Agreement, interest shall be required to be deposited to but excluding the next Payment Date rather than through the last day of the month and the Record Date, respectively, preceding the Payment Date;

(iii) The rating of "F-1" in clause (ii) of the definition of "Permitted Investments" shall be changed to "F-1+";

(iv) Section 4.02(a) shall be amended to provide that the Collection Account shall not be a subaccount or otherwise part of the Collateral Account;

(v) For purposes of Section 2.10, the reference therein to "Adjusted Eligible Principal Receivables" shall be changed to read "the sum of (i) the Adjusted Eligible Principal Receivables as of the end of the preceding Business Day and (ii) the product of (x) the amount, if any, held in the Transferor Account as of the end of the preceding Business Day multiplied by (y) 100% minus the Discount Factor as of the most recent Determination Date"; and

(vi) For purposes of the definition of "Transferor Account Deposit Amount", each reference therein to "Adjusted Eligible Principal Receivables" shall be changed to read "the sum of (i) the Adjusted Eligible Principal Receivables and (ii) the product of (x) the amount, if any, held in the Transferor Account multiplied by (y) 100% minus the Discount Factor as of the most recent Determination Date"

3. Amendments to Purchase Agreements. The Micro Purchase Agreement, the Commtron Purchase Agreement and the Purchase Agreement shall be amended as

follows:

(a) Each such Purchase Agreement is hereby amended by deleting clause (a) of Section 8.1 of each thereof, and by substituting in lieu thereof the following new clause (a):

(a) December 15, 2001, subject to automatic extensions of one year periods unless otherwise agreed to in writing by the Seller and the Buyer;

(b) Section 3.2 of each of the Micro Purchase and the Commtron Purchase Agreement is hereby amended to read as follows:

The Purchase Price for the Receivables and related property shall be paid on the Initial Closing Date with respect to the Receivables existing on the Cut-Off Date and on each Business Day thereafter on which Receivables are transferred hereunder, at the Buyer's election, either by payment in cash in immediately available funds, creation of a receivable due from the Buyer to the Seller on demand, or by reduction of amounts owed by the Seller to the Buyer unrelated to this Agreement.

4. Amendments to Liquidity Agreement. The Liquidity Agreement shall be amended as follows:

(a) Section 7.02(g)(iv) is hereby amended to read as follows:

Consolidated Working Capital at any Lime to be less than or equal to one hundred and ten per cent (110%) of the sum of loans and face amount of any letters of credit outstanding in excess of $80,000,000 under the Credit Agreement, dated December 15, 1992 among the Obligated Parties, Lenders and Agents named therein, as such Agreement may be amended, supplemented, modified and replaced from time to time."

(b) Section 8.01(b) is hereby amended to read as follows:

The CP Issuer shall fail to perform or observe in any material respect any of the covenants or agreements set forth in this Agreement, the Security Agreement or the CP Dealer Agreement or Ingram shall fail to perform or observe in any material respect any of the covenants or agreements set forth in this Agreement if such breach shall remain unremedied for 30 days after the date on which written notice of such breach shall have been given to the CP Issuer and Ingram by the Liquidity Agent, the Collateral Agent or the CP Dealer.

(c) Section 8.01(i) is hereby amended to read as follows:

The Servicer, the Transferor or Ingram shall fail to perform or observe any other term, covenant or agreement in any Facilities Document or Purchase Agreement to which it is a party and such failure to perform or observe shall continue unremedied for 30 days after the date on which written notice of such breach shall have been given to such Person by the Liquidity Agent or the Collateral Agent.

5. Consent to Amendments. Each party hereto hereby consents to each amendment to each Agreement provided for in this Amendment No. 1.

6. Ratification of Agreements. As amended by this Amendment No. 1, each Agreement is in all respects ratified and confirmed.

7. Counterparts. This Amendment No. 1 may be executed in any number of counterparts, which may include facsimile counterparts, each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument.

8. Governing Law. THIS AMENDMENT NO. 1 SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

9. Confirmation of Ratings. This Amendment No. 1 shall not become effective unless and until the Trustee shall have received written confirmation from each Rating Agency that the effectiveness hereof will not result in either the reduction or withdrawal of the ratings currently assigned by such Rating Agency to both the Commercial Paper and the Class A Certificates of both Series 1993-1 and Series 1993-2.

IN WITNESS WHEREOF, each of the parties to the Agreements has caused this Amendment No. 1 to be executed by its duly authorized officer as of the date set forth above.

INGRAM FUNDING INC.

By: /s/ Thomas H. Lunn

Name: Thomas H. Lunn
Title: Asst. Treasurer

INGRAM INDUSTRIES INC.

By: /s/ Thomas H. Lunn

Name: Thomas H. Lunn
Title: V.P. and Treasurer

CHEMICAL BANK, as Trustee

By: /s/ T. C. Monahan

Name: T. C. Monahan
Title: Asst. Vice President

INGRAM MICRO INC.

By: /s/ Thomas H. Lunn

Name: Thomas H. Lunn
Title: Asst. Treasurer

INGRAM ENTERTAINMENT INC.,
as successor to
COMMTRON CORP.

By: /s/ Thomas H. Lunn

Name: Thomas H. Lunn
Title: Treasurer

DISTRIBUTION FUNDING
CORPORATION

By: /s/ Hans Bald

Name: Hans Bald
Title: Vice President

CHEMICAL BANK,
as the Liquidity Agent
and as a Bank

By: /s/ John D. Mindnich

Name: John D. Mindnich
Title: Vice President

NATIONSBANK OF
NORTH CAROLINA, N.A.

By: /s/ John E. Ball

Name: John E. Ball
Title: Senior Vice President

THE BANK OF NOVA SCOTIA

By: /s/ P. M. Brown

Name: P. M. Brown
Title: Representative

EXHIBIT 10.27

INGRAM FUNDING MASTER TRUST

6.19% ASSET-BACKED CERTIFICATES,
SERIES 1993-1, CLASS A

CERTIFICATE PURCHASE AGREEMENT

July 23, 1993

July 23, 1993

Purchasers named on the
signature pages hereto

Ladies and Gentlemen:

1. Introduction. Pursuant to the Pooling and Servicing Agreement (as defined below), Ingram Funding Inc. (the "Transferor") has caused Ingram Funding Master Trust (the "Trust") to issue 6.19% Asset-Backed Certificates, Series 1993-1, Class A (the "Class A Certificates") to be sold by the Transferor.

The Class A Certificates will be issued pursuant to a Pooling and Servicing Agreement dated as of February 12, 1993 among the Transferor, Ingram Industries Inc. ("Ingram"), as servicer (the "Servicer"), and Chemical Bank, as trustee (the "Trustee"), as supplemented by the Series 1993-1 Supplement dated as of July 23, 1993 among the Transferor, the Servicer and the Trustee (collectively, the "Pooling and Servicing Agreement"). The Transferor has conveyed to the Trustee for the benefit of the holders of the Class A Certificates, a pool of trade accounts receivable generated from trade accounts of customers of the Ingram Book Company division of Ingram and certain designated subsidiaries of Ingram (the "Receivables"), and certain other property (the Receivables and such other property, the "Trust Assets").

The placement of the Class A Certificates has been arranged by Chemical Securities Inc., as placement agent (the "Placement Agent"), pursuant to an agreement dated as of May 25, 1993 (the "Placement Agency Agreement") among the Transferor, the Servicer and the Placement Agent.

The Transferor has furnished to each of the purchasers of Class A Certificates named on the signature pages hereto (the "Purchasers" and, individually, a "Purchaser") a final private placement memorandum dated July 23, 1993, describing, among other things, the Class A Certificates, the Trust Assets, the Trust, the Transferor, the Servicer and the Pooling and Servicing Agreement. Such final private placement memorandum is herein referred to as the "Memorandum."

The Transferor hereby agrees with each of the Purchasers as follows:

2. Purchase, Sale. Payment and Delivery of the Class A Certificates. On the basis of the representations, warranties and agreements contained herein, but subject to the terms and conditions set forth herein, the Transferor agrees to sell to each Purchaser, and each Purchaser agrees to purchase from the Transferor, on July 23, 1993 or on such other date as shall be mutually agreed upon by the Transferor and the Purchasers (the "Closing Date"), the aggregate principal amount of the Class A Certificates set forth on such Purchaser's Attachment I annexed hereto (the "Designated Class A Certificates"). Each Designated Class A Certificate shall be purchased at a purchase price equal to 100% of the principal amount thereof.

The closing of the sale of the Class A Certificates (the "Closing") shall be held at the offices of Skadden, Arps, Slate, Meagher & Flom at 919 Third Avenue, New York, New York 10022, at 10:00 a.m., New York City time, on the Closing Date. Payment of the aggregate purchase price for the Class A Certificates shall be made on the Closing Date by wire transfer of immediately available funds to an account to be designated in writing to each Purchaser by the Transferor at least two business days prior to the Closing Date, against delivery of the Class A Certificates at the Closing on the Closing Date. The denominations of the Designated Class A Certificates to be delivered to the Purchasers and the name or names in which each such Designated Class A Certificate is to be registered shall be in accordance with the information set forth on Attachment I with respect to such Purchaser designated by each Purchaser by notice in writing delivered to the Transferor at least two business days prior to the Closing

Date or, if any such Purchaser shall fail to give such notice, delivery shall be made to such Purchaser in the form of one Class A Certificate registered in such Purchaser's name.

3. Representations and Warranties of the Transferor. The Transferor represents and warrants to, and agrees with, each Purchaser that, as of the date hereof:

a. The Transferor has been duly organized and is validly existing as a corporation under the laws of the State of Delaware with full power and authority to issue, sell and deliver the Class A Certificates and to conduct its business as such business is currently conducted, and to execute, deliver and perform its oblications under this Agreement, the Pooling and Servicing Agreement and the Class A Certificates;

b. The Transferor is not required to be qualified to do business in any jurisdiction in which the failure to so qualify would impair the validity or enforceability of any Document (as defined below), to which the Transferor is a party; the Transferor has neither conducted nor engaged in any business other than as allowed pursuant to the terms of the Pooling and Servicing Agreement;

c. This Agreement has been duly authorized, executed and delivered by the Transferor and constitutes a valid and binding agreement of the Transferor, enforceable against the Transferor in accordance with its terms, except that the enforceability thereof may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law) and the discretion of the court before which any proceeding for such enforcement may be brought;

d. Any Document to which the Transferor is a party has been duly authorized, executed and delivered by the Transferor and, assuming due authorization, execution and delivery thereof by the other parties thereto, will constitute a valid and binding agreement of the Transferor, enforceable against the Transferor in accordance with its terms, except that the enforceability thereof may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law) and the discretion of the court before which any proceeding for such enforcement may be brought;

e. The Class A Certificates have been duly authorized and executed by the Transferor and, when authenticated by the Trustee in accordance with the Pooling and Servicing Agreement and delivered against payment therefor as provided herein, will be entitled the benefits of the Pooling and Servicing Agreement, subject to (1) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law) and the discretion of the court before which any proceeding for such enforcement may be brought;

f. The Memorandum as of its date did not, and as of the Closing Date will not, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and no written information supplied by the Transferor to (i) Standard & Poor's Corporation or Fitch Investors Service, Inc. (collectively, the "Rating Agencies") in connection with obtaining a rating for the Class A Certificates or (ii) the Purchasers contained any material misstatement of a material fact or omitted to state any fact necessary to make the material statements contained therein not materially misleading, as of the date as of which such information was dated or certified, in each case considered in the aggregate with all other information furnished to the Rating Agencies or the Purchasers, as applicable, pursuant to or in connection with obtaining of a rating (in the case of the Rating Agencies) or pursuant to or in connection with any Document or any transaction contemplated hereby or thereby (in the case of the Purchasers) and giving effect to written revisions and updates of such information furnished to the Rating Agencies or the Purchasers, as applicable, prior to the Closing Date;

g. Subject to Section 3.j. with respect to federal and state securities laws, neither the execution and delivery of any Document to which the Transferor is a party or the issuance or sale of the Class A Certificates, the consummation of the transactions contemplated thereby nor the fulfillment of any of the terms and conditions thereof conflicts or will conflict with, results or will result in a breach or violation of any of the terms or provisions of, or constitutes or will constitute a default under (i) the Pooling and Servicing Agreement, (ii) any law or statute currently applicable to the Transferor or (iii) any decree, order, rule or regulation currently applicable to the Transferor of any court or regulatory, administrative or governmental agency, body or authority, or arbitrator having jurisdiction over the Transferor or its properties;

h. There are no legal, regulatory, administrative or governmental proceedings pending to which the Transferor is a party or to which any of its properties is subject or, to the knowledge of the Transferor, threatened against the Transferor or any of its properties that, if determined adversely to the Transferor would, in the aggregate, have a material adverse effect on the ability of the Transferor to perform its obligations under any Document to which it is a party or to consummate the transactions contemplated hereunder or thereunder, or on the financial condition, affairs or properties of the Transferor;

i. Subject to Section 3.j. with respect to federal and state securities laws, no consent, approval, authorization or order of or declaration or filing with any government, governmental instrumentality or court or other person is required for the issuance or sale of the Class A Certificates or the consummation of the other transactions contemplated by any Document to which the Transferor is a party, except such as have been duly made or obtained;

j. Under the circumstances contemplated by the Memorandum, the Pooling and Servicing Agreement, this Agreement and the Placement Agency Agreement, the offer and sale of the Class A Certificates are transactions exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"); and the Pooling and Servicing Agreement is not required to be qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act");

k. The Transferor is not and will not be required as a result of the offer and sale of the Class A certificates under the circumstances contemplated by the Memorandum, the Pooling and Servicing Agreement, this Agreement and the Placement Agency Agreement to register as an "investment company" under the Investment Company Act of 1940, as amended (the "1940 Act"), and the Transferor is not "controlled" by an "investment company" as defined in the 1940 Act;

1. There is no fact known to the Transferor that materially adversely affects the ability of the Transferor to perform its obligations under the Documents to which it is a party;

m. Except for Chemical Securities Inc., the Transferor has not dealt with any broker, investment banker, or other person who may be entitled to any commission or compensation in connection with the sale of the Class A Certificates, and the fees of Chemical Securities Inc. shall be payable, and shall be paid, by the Transferor from proceeds of the sale of the Class A Certificates and the Purchasers shall have no liability therefor;

n. The Transferor has not transferred its interests in the Trust Assets to the Trustee with an actual intent to hinder, delay or defraud any creditor; the Transferor is solvent (as that term is utilized under applicable bankruptcy, insolvency and fraudulent conveyance laws) and has not been rendered insolvent by the transfer and assignment of the Trust Assets;

o. At the time of the transfer of the Trust Assets from the Transferor to the Trustee, the Transferor owned the Trust Assets free and clear of any liens, claims (including but not limited to claims of ownership) or encumbrances, including, but not limited to federal tax liens, ERISA liens and claims arising pursuant to 31 U.S.C. Section 3713;

p. The Transferor has irrevocably assigned to the Trustee for the benefit of the Certificateholders (as defined in the Pooling and Servicing Agreement) all of the Transferor's right, title and interest in and to the Trust Assets;

q. Assuming the accuracy of the representations and warranties of the Purchasers contained herein, the execution and delivery of this Agreement and the issue and sale of the Class A Certificates by the Transferor does not and will not involve any transaction by the Transferor that is prohibited under Section 406(a) of ERISA or in connection with which an excise tax could be imposed pursuant to Section 4975(a) or (b) of the Code by reason of the prohibited transactions described in Section 4975(c) (I) (A), (B), (C), or (D) of the Code;

r. None of the transactions contemplated in this Agreement (including, without limitation, the use of proceeds from the sale of the Class A Certificates) will result in a violation of Section 7 of the Securities Exchange Act of 1934, as amended, or any regulations issued pursuant thereto, including Regulations G, T, U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R., Chapter II; and

s. No event has occurred and is continuing that constitutes, or with the passage of time or the giving of notice or both would constitute, a Servicer Default or an Event of Termination with respect to the Class A Certificates under, and as defined in, the Pooling and Servicing Agreement.

4. Representations and Warranties of the Purchasers. Each Purchaser represents and warrants to, and agrees with, the Transferor, as of the date hereof and as of the Closing Date, that:

a. It has received all information concerning the Class A Certificates, the Transferor, the Servicer, the Trust, the Trust Assets, the Pooling and Servicing Agreement and any other matters relevant to its decision to purchase the Class A Certificates that it has requested, including, but not limited to the Memorandum. It has had an opportunity to discuss fully the Transferor's business, management and financial affairs, and the terms and conditions of the proposed purchase, with the Transferor and its representatives;

b. It is not acquiring its Class A Certificates with a view to or for sale in connection with any distribution thereof within the meaning of the Securities Act, provided that the disposition of its property shall at all times be and remain within its control. No part of the funds being used by it to pay the Purchase Price of the Class A Certificates being purchased by it hereunder will constitute assets allocated to any separate account maintained by it. For purposes of this paragraph (b), the term "separate account" shall have the meaning specified in Section 3 of the Employee Retirement Income Security Act Of 1974, as amended. It is an "insurance company" as defined in Section 2(13) of the Securities Act

c. It understands that the Class A Certificates have not been and

will not be registered or qualified under the Securities Act or any applicable state securities laws or the securities laws of any other jurisdiction and are being offered only in a transaction not involving any public offering within the meaning of the Securities Act, and that the Class A Certificates initially will bear the legend and be subject to the restrictions on transfer described in the Memorandum;

d. It understands that the Class A Certificates are subject to restrictions on transfer set forth in Section 6.03 of the Pooling and Servicing Agreement;

e. It intends to treat the Class A Certificates as indebtedness of the Transferor for federal income tax purposes.

Each Purchaser understands that the Transferor, the Placement Agent, and, for purposes of the opinions to be delivered to the Purchasers pursuant to Section 5.d., Skadden, Arps, Slate, Meagher & Flom, will rely upon the accuracy and truth of the foregoing representations, and each Purchaser hereby consents to such reliance.

5. Conditions of the Obligations of the Purchasers. The obligations of each Purchaser to purchase and pay for the Class A Certificates shall be subject to the accuracy, as of the date hereof and as of the Closing Date, of the representations and warranties of the Transferor herein, the performance by the Transferor of its obligations hereunder and the following additional conditions:

a. On the Closing Date, this Agreement, the Pooling and Servicing Agreement, the Placement Agency Agreement, the Purchase Agreement (as defined in the Pooling and Servicing Agreement) and the Class A Certificates duly authorized, executed and delivered by the Parties thereto, shall be in full force and effect and no default shall exist thereunder. The Documents shall be in the forms heretofore provided to the Purchasers.

b. On the Closing Date, each Purchaser shall have received a certificate from the Trustee, dated the Closing Date, stating that the Pooling and Servicing Agreement has been duly authorized, executed and delivered by the Trustee and the Class A Certificates have been duly authenticated by the Trustee in accordance with the Pooling and Servicing Agreement.

c. All documents (other than opinions of counsel which will be delivered as set forth herein) incident hereto and to the Pooling and Servicing Agreement shall be reasonably satisfactory in form and substance to the Purchasers.

d. The Purchasers shall have received opinions, dated the Closing Date, addressed to the Purchasers, of Skadden, Arps, Slate, Meagher & Flom, special counsel to the Transferor, and of James E. Anderson, Jr., counsel to the Servicer, reasonably satisfactory in form and substance to the Purchasers.

e. The Purchasers shall have received an opinion, dated the Closing Date, addressed to the Purchasers of Pryor, Cashman, Sherman & Flynn, counsel to the Trustee, reasonably satisfactory in form and substance to the Purchasers.

f. Each of the other Purchasers shall have purchased, and the Transferor shall have received payment in full for, the Class A Certificates to be purchased by it.

g. The Transferor shall have irrevocably assigned to the Trustee for the benefit of the Certificateholders all of the Transferor's right, title and interest in and to the Trust Assets.

h. The Purchasers' purchase of the Class A Certificates (a) shall not be prohibited by any applicable law or governmental regulation, (b) shall not subject any Purchaser to any penalty under or pursuant to any applicable law or governmental regulation, (c) shall be permitted by the laws and regulations of the jurisdictions to which the Purchasers are subject, and shall qualify without reference to any "basket" or "leeway" provisions permitting investment without restriction as to the character of the particular investment. The Transferor shall have delivered to each Purchaser factual certificates or other evidence, in form and substance satisfactory to each Purchaser, to enable each Purchaser to establish compliance with this condition, as may be reasonably requested.

i. The Transferor shall have received all consents, permits and other authorizations, and made all such filings and declarations, as may be required from any Person, pursuant to any law, statute, regulation or rule (Federal, state, local and foreign) in connection with the transactions contemplated by this Agreement.

j. The Purchasers shall have received a true and correct copy of a letter from Standard & Poor's Corporation and Fitch Investors Service, Inc. confirming that the Class A Certificates have been rated "AAA" and "AAA", respectively.

k. The Purchasers shall have received evidence, reasonably satisfactory to the Purchasers, of the payment, if any, of all taxes, fees and other governmental charges, if any, incidental to the issuance of the Class A Certificates and to the consummation of the transactions contemplated hereunder and under the Pooling and Servicing Agreement.

1. The Purchasers shall have received receipts or other documents acknowledging receipt by the Transferor of the purchase price of the Class A Certificates upon confirmation by the Transferor of receipt thereof.

m. The Purchasers shall have received reliance letters from Skadden,

Arps, Slate, Meagher & Flom, James E. Anderson, Jr. and Pryor, Cashman, Sherman & Flynn with respect to the opinions delivered by them in connection with the initial closing under the Pooling and Servicing Agreement.

n. The Transferor shall have delivered a certificate signed by an authorized officer of the Transferor, dated the Closing Date, certifying that (i) the Transferor has filed an application with Standard & Poor's Corporation CUSIP Service Bureau for assignment of a private placement number with respect to the Class A Certificates and (ii) all fees and expenses payable in connecticn with said application have been paid in full.

If, on the Closing Date, any condition specified in this Agreement shall not have been fulfilled when and as required in this Agreement or waived by the Purchasers, or the Transferor shall fail to tender any Purchaser such Purchaser's Class A Certificates, the Purchasers' obligation to purchase the Class A Certificates pursuant to this Agreement may be terminated by notice to the Transferor, given to the Transferor in writing or by facsimile. Nothing in this paragraph shall operate to relieve the Transferor from any of its obligations hereunder or otherwise waive any of the Purchasers' rights against the Transferor.

6. Expenses. Whether or not the Class A Certificates are sold, the Transferor will pay the reasonable fees and disbursements of the Purchasers' special counsel, Cadwalader, Wickersham & Taft. The Transferor will also pay (i) the fees and expenses, if any, of the Rating Agencies in connection with obtaining a credit rating for the Class A Certificates, whether or not such credit rating is actually obtained, and (ii) the fees and expenses of Standard & Poor's Corporation in connection with obtaining a private placement number with respect to the Class A Certificates. The Transferor further agrees that it will pay or cause to be paid, promptly upon demand, (i) any reasonable out-of-pocket expenses incurred by any Purchaser in connection with the making of any amendment to, or the giving of any release, consent or waiver in respect of, this Agreement and any Document executed pursuant hereto or thereto, including the reasonable fees and disbursements of one (and in no event more than one) outside counsel for all Purchasers in connection therewith, in each case that are related to or arising out of a request of, or an action taken by, or that are otherwise required by, either the Transferor or Ingram (but not to the extent that any such request, action or requirement of either the Transferor or Ingram arises by reason of its obligation to respond to a request, action or requirement instigated by a Purchaser or other third party), and (ii) any reasonable out-of-pocket expenses incurred by any Purchaser in connection with the enforcement of its rights and remedies under the Pooling and Servicing Agreement if either a Servicer Default or an Event of Termination shall occur and be continuing, including the reasonable fees and disbursements of one (and in no event more than one) outside counsel for all Purchasers in connection therewith.

7. Survival. The respective representations, warranties and agreements made by the Transferor and the Purchasers herein or in any certificate or other instrument delivered pursuant hereto shall survive the delivery of and payment for the Class A Certificates notwithstanding any investigation made by or on behalf of any party hereto.

8. Notices. All communications provided for or permitted hereunder shall be in writing and shall be deemed to have been duly given if personally delivered, sent by overnight courier or mailed by registered mail, postage prepaid and return receipt requested, or transmitted by confirmed telex, telegraph or telecopier, if to a Purchaser, addressed to such Purchaser at the address set forth on such Purchaser's signature page hereto, or to such other address as such Purchaser may designate in writing to the Transferor, and if to the Transferor, addressed to Ingram Funding Inc., 1105 North Market Street, Wilmington, Delaware 19801, Attention: President or to such other address as the Transferor may designate in writing to the Purchasers, with a copy to Ingram Industries Inc., One Belle Meade Place, 4400 Harding Road, Nashville, Tennessee 37205, Attention: Treasurer.

9. Successors. This Agreement shall inure to the benefit of and be binding upon the Transferor, the Purchasers and their respective successors and assigns. Nothing expressed herein is intended or shall be construed to give any person other than the persons referred to in the preceding sentence any legal or equitable right, remedy or claim under or in respect of this Agreement.

10. Severability of Provisions. Any covenant, provision, agreement or term of this Agreement that is prohibited or is held to be void 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.

11. Miscellaneous. This Agreement constitutes the entire agreement and understanding of the parties hereto with respect to the matters and transactions contemplated hereby and supersedes all prior agreements and understandings whatsoever relating to such matters and transactions. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought. The headings in this Agreement are for the purpose of reference only and shall not limit or otherwise affect the meaning hereof. This Agreement may be executed in counterparts, which may include facsimile counterparts, each of which shall constitute an original, but all of which shall together constitute one instrument.

12. Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

13. Counterparts. This Agreement may be executed in two or more counterparts, and all such counterparts taken together shall be deemed to constitute one and the same agreement.

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to us the enclosed duplicate hereof, whereupon it will become a binding agreement between the undersigned in accordance with its terms.

Very truly yours,

INGRAM FUNDING INC.

By: /s/ Thomas H. Lunn

Name: Thomas H. Lunn
Title: Assistant Treasurer

Agreed and accepted as of
the date first above written.

GREAT-WEST LIFE & ANNUITY
INSURANCE COMPANY

By: /s/ Bruce L. Hoyt

Name: Bruce L. Hoyt
Title: Manager
Private Placement Investments

By: /s/ E. A. Marr

Name: E.A. Marr
Title: Assistance Vice President
Private Placement Investments

It the foregoing is in accordance with your understanding of our agreement, kindly sign and return to us the enclosed duplicate hereof, whereupon it will become a binding agreement between the undersigned in accordance with its terms.

Very truly yours,

INGRAM FUNDING INC.

By: /s/ Thomas H. Lunn

Name: Thomas H. Lunn
Title: Assistant Treasurer

Agreed and accepted as of
the date first above written.

PACIFIC CORINTHIAN LIFE
INSURANCE COMPANY

By: /s/ Larry J. Card

Name: Larry J. Card
Title: Sr. Vice President

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to us the enclosed duplicate hereof, whereupon it will become a binding agreement between the undersigned in accordance with its terms.

Very truly yours,

INGRAM FUNDING INC.

By: /s/ Thomas H. Lunn

Name: Thomas H. Lunn
Title: Assistant Treasurer

Agreed and accepted as of
the date first above written.

THE PRUDENTIAL INSURANCE
COMPANY OF AMERICA

By: /s/ Catherine M. Holmes

    Name: Catherine M. Holmes
    Title:

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to us the enclosed duplicate hereof, whereupon it will become a binding agreement between the undersigned in accordance with its terms.

Very truly yours,

INGRAM FUNDING INC.

By: /s/ Thomas H. Lunn

    Name: Thomas H. Lunn
    Title: Assistant Treasurer

Agreed and accepted as of
the date first above written.

PACIFIC CORINTHIAN LIFE
INSURANCE COMPANY

By: /s/ Larry J. Card

    Name: Larry J. Card
    Title: Sr. Vice President

By: /s/ David R. Carmichael

    Name: David R. Carmichael
    Title: General Counsel &
           Assistant Secretary

Purchaser	Aggregate Principal Balance	Requested Denomination
The Prudential Insurance Company of America Series 1993-1	$30,000,000. 00	$30,000,000.00

Registered Owner: The Prudential Insurance Company of America

(1) All payments on account of Notes held by such purchaser shall be made by wire transfer of immediately available funds for credit to:

Account No. 050-54-526
Morgan Guaranty Trust
23 Wall Street
New York, York 10015
(ABA NO.: 021-000-238)

Each such wire transfer shall set forth the name of the Issuer, the full title (including the coupon rate and final maturity date) of the Notes, a reference to "Security No. 457192\\A0", and the due date and application (as among principal and interest of the payment being made.

(2) Address for all notices relating to payments:

The Prudential Insurance Company of America
c/o The Prudential Specialized Finance Group
Four Gateway Center
100 Mulberry Street
Newark, New Jersey 07102-4369

Attention: Manager, Investment Information &
Accounting Services

(3) Address for all other communications and notices:

The Prudential Insurance Company of America
c/o The Prudential Specialized Finance Group
Four Gateway Center
100 Mulberry Street
Newark, New Jersey 07102-4069

(4) Recipient of telephonic prepayment notices:

Manager, Investment Information &
Accounting Services
(201) 802-7500

(5) Tax Identification No.: 22-1211670

ATTACHMENT I

Number/Denomination of Class A Certificate to be pruchased by Purchaser:

Series 1993-1 $20,000,000

Name of Purchaser:

Great-West Life & Annuity Insurance Company
8515 East Orchard Road
3rd Floor, Tower 2
Englewood, Colorado 80111

Tax I. D. #84-0467907

Payments of Principal and Interest

Wire Instructions:

Norwest Bank Minnesota, N. A.
ABA #091000019
For Credit to Trust Clearing Accourt #08-40-245
Re: GWL&A for Account #7-34688-00-5

Special Instructions:
1) cusip or security description,
2) allocation of payment between principal and interest, and
3) confirmation of principal balance.

Notice of Such Payments

Norwest Bank Minnesota, N.A.
733 Marquette Ave., Investors Bldg., 5th Floor
Minneapolis, Minnesota 55479-0047
Attn: Income Collections

Notice for Other Communications

Great-West Life & Annuity Insurance Company
8515 East Orchard Road
3rd Floor, Tower 2
Englewood, Colorado 80111
Attention: U.S. Private Placements

Telecopier: (303) 689-6193

Physical Delivery of Securities - New Issue

Norwest Bank Minnesota, N.A.
Attn: Security Clearance
733 Marquette Ave., 5th Floor
Mineapolis, Minnesota 55479-0047

DTC Settlement

Bank DTC participant acct. #0947
Agent ID #20947
Agent interested acct. #7-34688-00-5
Institution ID #58502

Attachment I

REGISTERED NAME EBENCO
TAX ID# 95-6025815
PACIFIC CORINTHIAN LIFE INSURANCE COMPANY

Number/Denomination of Class A Certificate to be purchased by Purchaser:

Series 1993-1 $10,000,000

Delivery Instructions for Private Placements

For Private Placements Registered in Nominee Name (EBENCO):

Bank of America Clearing & Services Corp.
2 Rector Street, 3rd Floor - Window #2
New York, NY 10006
For A/C of Sec Pac state TrCo./CPR
Account #4-09353CPR
SPCSC - Pasadena
SPSTC Customer Account #QE-7-15520-1

Wire Transfer Instructions Income and Other Distributions:

Bank of America
ABA #121000358
SPSTC-CPR ADVANTAGE GROUP
ACCOUNT: 1257603433
ATT: Patti Davis (818) 405-3425
Sender's Nate:
Further Credit to: Account #QE-7-15520-1
PACIFIC CORINTHIAN LIFE INSURANCE
COMPANY-PHYSICAL

Separate Notification of payments should be addressed to:

Pacific Corinthian Life insurance Company
Attn: Securities Administration
Sharon Goldberg
P.O. B0X 9000
Newport Beach, California 92658-9000
Telefax # (714) 640-3199
Telephone # (714) 640-3312

All Financials and any other correspondence should be addressedd to:

Pacific Mutual Life Insurance Company
Attn: Fixed Income Securities Dept.
P. O. Box 9000
Newport Boach, California 92658-9000
Telefax # (714) 640-3199
Telephone # (714) 640-3312

EXHIBIT 10.28

Schedule of Certificate Purchase Agreements

The documents described in this Schedule are materially identical to the Certificate Purchase Agreement included as Exhibit 10.27 to this Registration Statement, except as noted below:

Certificate Purchase Agreement, July 23, 1993, 6.61% Asset-Backed Certificates, Series 1993-2, Class A. Purchasers: Prudential Insurance Company of America, Pacific Mutual Life Insurance Company, Great-West Life & Annuity Insurance Company.

Certificate Purchase Agreement, March 24, 1994, 6.57% Asset-Backed Certificates, Series 1994-1, Class A. Purchasers: Prudential Insurance Company of America.

Certificate Purchase Agreement, March 24, 1994, 6.91% Asset-Backed Certificates, Series 1994-2, Class A. Purchasers: Prudential Insurance Company of America, Great-West Life & Annuity Insurance Company.

Certificate Purchase Agreement, 7.17% Asset-Backed Certificates, Series 1994-3, Class A. Purchasers: Prudential Insurance Company of America, Pacific Mutual Life Insurance Company.

EXHIBIT 10.29

- ---

INGRAM FUNDING INC.,

Transferor,

INGRAM INDUSTRIES INC.,

Servicer,

and

CHEMICAL BANK,

Trustee

on behalf of the Certficateholders

_____

SERIES 1993-1 SUPPLEMENT

Dated as of July 23, 1993

to

INGRAM FUNDING MASTER TRUST
POOLING AND SERVICING AGREEMENT

Dated as of February 12, 1993

_____

6.19% ASSET-BACKED CERTIFICATES,
Series 1993-1, CLASS A

6.19% ASSET-BACKED CERTIFICATES,
Series 1993-1, CLASS B

- ---

Series 1993-l SUPPLEMENT, dated as of July 23, 1993 (this "Supplement") among INGRAM FUNDING INC., a Delaware corporation, as Transferor (the "Transferor"), INGRAM INDUSTRIES INC., a Tennessee corporation, as Servicer ("Ingram" or the "Servicer"), and CHEMICAL BANK, a New York banking corporation, as trustee (together with its successors in trust thereunder as provided in the Pooling and Servicing Agreement referred to below, the "Trustee") , under the Pooling and Servicing Agreement, dated as of February 12, 1993 (the "Agreement") among the Transferor, the Servicer and the Trustee.

PRELIMINARY STATEMENT

Section 6.09 of the Agreement provides, among other things, that the Transferor and the Trustee may at any time and from time to time enter into a supplement to the Agreement for the purpose of authorizing the issuance of Investor Certificates. The Transferor has delivered the Issuance Notice required by Section 6.09 of the Agreement and hereby enters into this Supplement with the Servicer and the Trustee as required by Section 6.09(b) of the Agreement to provide for the issuance, authentication and delivery of the 6.19% Asset-Backed Certificates, Series 1993-1, Class A (the "Class A Certificates") and the 6.19% Asset-Backed Certificates, Series 1993-1, Class B (the "Class B Certificates" and, together with the Class A Certificates, the "Series 1993-1 Certificates"). In the event that any term or provision contained herein shall conflict with or be inconsistent with any term or provision contained in the Agreement, the terms and provisions of this Supplement shall govern.

All capitalized terms not otherwise defined herein are defined in Annex X to the Agreement. All Article, Section or Subsection references herein shall mean Article, Section or Subsections of the Agreement, as amended and supplemented by this Supplement, except as otherwise provided herein.

Any reference to the Amortization Period or the Non-Amortization Period in this Supplement shall refer only to such periods as they relate to the Series 1993-1 Certificates.

SECTION 1. Designation.

The Class A Certificates shall be designated generally as 6.19% Asset-Backed Certificates, Series 1993-1, Class A or the Class A Certificates. The Class B Asset-Backed Certificates, Series 1993-1, Class B or the Class B Certificates together shall be designated generally as the Series 1993-1 Certificates.

SECTION 2. Agreement Modifications.

The following terms of the Agreement are hereby modified solely with respect to the Series 1993-1 Certificates issued pursuant to this Supplement as follows:

Section 4.02 is modified to add the following:

(e) The Certificate Account. The Trustee, for the benefit of Certificateholders holding the Series 1993-1 Certificates (the "Series 1993-1 Certificateholders"), shall establish or shall cause to be established and maintained with an Eligible Institution (which may be the Trustee) in the name of the Trustee, on behalf of the Trust, a segregated trust account (the "Certificate Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Series 1993-1 Certificateholders. The Certificate Account shall have two sub-accounts, the "Principal Funding Account" and the "Interest Funding Account". The Certificate Account shall be under the sole dominion and control of the Trustee for the benefit of the Series 1993-1 Certificateholders. If, at any time, the institution holding the Certificate Account ceases to be an Eligible Institution, the Trustee shall within 30 days of a Responsible Officer learning of such event establish a new Certificate Account meeting the conditions specified above with an Eligible Institution, transfer any cash and/or any investments to such new Certificate Account and from the date such new Certificate Account is established, it shall be the "Certificate Account". Neither the Transferor nor the Servicer, nor any person or entity claiming by, through or under the Transferor or Servicer, shall have any right, title or interest in, or any right to withdraw any amount from, the Certificate Account except to the extent provided in the Agreement as modified by this Supplement. Pursuant to the authority granted to the Servicer pursuant to Section 3.01(a), the Servicer shall have the revocable power to instruct the Trustee to make withdrawals and payments from the Certificate Account for the purposes of carrying out the Servicer's duties under the Agreement.

(f) Administration of the Certificate Account. Funds on deposit in the Certificate Account shall at the direction of the Servicer be invested by the Trustee in Permitted Investments that will mature so that such funds will be available prior to the Payment Date following such investment. Any funds on deposit in the Certificate Account to be so invested shall be invested solely in Permitted Investments. Any request by the Servicer to invest funds on deposit in the Certificate Account shall be in writing and shall certify that the requested investment is a Permitted Investment which matures at or prior to the time required hereby. The Trustee shall maintain possession of the negotiable instruments or securities, if any, evidencing the Permitted Investments described in clause (a) of the definition thereof from the time of purchase thereof until maturity. All interest and earnings (net of losses and investment expenses) on funds on deposit in the Certificate Account shall be paid by the Trustee to the Transferor on each Payment Date.

(g) Identification of Certificate Account. Schedule A, which is hereby incorporated into and made a part of this Supplement, identifies the Certificate Account by setting forth the account number of such account, the account designation of such account and the name and location of the institution with which such account has been established.

Section 4.04 is modified in its entirety to read as follows:

Section 4.04 Payments of Imputed Yield Collections with Respect to the Series 1993-1 Certificates.

Daily Settlement

On each Business Day, the Servicer shall deliver to the Trustee a Daily Report in which it shall instruct the Trustee to withdraw with respect to the Series 1993-1 Certificates and pay, and the Trustee, acting in accordance with such instructions, shall withdraw and pay or cause to be withdrawn and paid on each Business Day (to the extent, solely with respect to Section 4.04(b) in the case of the Servicing Fee, and Sections 4.04(c), (d), (f), (g) and (h) in the case of amounts payable to the Holder of the Transferor Certificate, the Servicer has not effected any such payment by deduction of such amount from net Collections remitted to the Collection Account on such Business Day as set forth in the Daily Report), the amounts required to be withdrawn and paid from the Collection Account pursuant to Sections 4.04(a), (b), (c), (e) and (f) and, on each Business Day other than a Settlement Date, the amounts required to be withdrawn and paid from the Collection Account pursuant to Sections 4.04(d), (g), and (h).

(a) Class A Certificate Interest. Subject to the last sentence of this Section 4.04(a), on each of the last l0 Business Days of the month preceding the month in which each Payment Date occurs, the Trustee, acting in accordance with instructions from the Servicer, shall deposit into the Interest Funding Account, with respect to the Class A Certificates and from Imputed Yield Collections in the Collection Account which are allocated to the Series 1993-1 Certificates pursuant to Sections 4.03(b)(i)(A) or (ii)(A), as applicable (the "Series 1993-1 Imputed Yield Collections"), (i) first, one-tenth of the aggregate interest that has accrued and will accrue at the Class A Certificate Rate for each day from and including the preceding Payment Date to but not including the next succeeding Payment Date on the Class A Invested Amount after giving effect to payments made on the preceding Payment Date (without regard to Class A Charge-Offs, if any, incurred subsequent to such preceding Payment Date) and (ii) second, the amount of the unpaid Class A Deficiency Amount (as defined below) on the previous Business Day. The cumulative excess, if any, of the amounts required to be paid under (i) and (ii) above over the sum of (x) the available Series 1993-1 Imputed Yield Collections, (y) Undistributed Class B Interest (as defined in Section 4.04(e)) and (z) Subordinated Series 1993-1 Principal Collections (as defined in Section 4.06(a)) on any day shall be referred to as the "Class A Deficiency Amount" with respect to the Series 1993-1 Certificates. Interest shall not accrue on the Class A Deficiency Amount. Notwithstanding the first sentence of this Section 4.04(a), (i) if a Class A Deficiency Amount exists at the end of the last Business Day of the month preceding the month in which a Payment Date occurs, then on each Business Day of such succeeding month through and including such Payment Date, or such lesser number of days as shall elapse

until such Class A Deficiency Amount is satisfied in full, Series 1993-1 Imputted Yield Collections, together with Undistributed Class B Interest and Subordianted Series 1993-1 Principal Collections if required, shall be applied to such Class A Deficiency Amount and deposited or reallocated in the Interest Funding Account with respect thereto and (ii) during the Amortization Period, in addition to any amounts required to be deposited pursuant to clause (i) of this sentence, interest shall be deposited in the Interest Funding Account on each Business Day during the month preceding each Payment Date in a pro-rated amount based on the number of Business Days in such month.

(b) Servicing Fee with respect to the Series 1993-l Certificates. On each Business Day, after giving effect to the payments required pursuant to Section 4.04(a) (including any payments from Undistributed Class B Interest and Subordinated Series 1993-1 Principal Collections with respect thereto), the Trustee, acting in accordance with instructions from the Servicer, shall pay to the Servicer, from available Series 1993-1 Imputed Yield Collections, (i) first, the Servicing Fee allocable to the Series 1993-1 Certificates accrued at the applicable Servicing Fee Percentage for each day from and including the preceding day on which payments were made pursuant to this Section 4.04(b) to but not including the current Business Day on the Series 1993-1 Invested Amount at the end of such preceding day and (ii) second, the amount of the unpaid Servicing Fee Deficiency Amount (as defined below) on the previous Business Day. The cumulative excess, if any, of the amounts required to be paid under (i) and (ii) above over the sum of (x) the available Series 1993-1 Imputed Yield Collections, (y) the available Undistributed Class B Interest and (z) the available Subordinated Series 1993-1 Principal Collections on any day shall be referred to as the "Servicing Fee Deficiency Amount" with respect to the Series 1993-1 Certificates. Interest shall not accrue on the Servicing Fee Deficiency Amount.

(c) Class A Default Amounts. On each Business Day, after giving effect to the payments required pursuant to Sections 4.04(a) and (b) (including any payments from Undistributed Class B Interest and Subordinated Series 1993-1 Principal Collections with respect thereto), the Trustee, acting in accordance with instructions from the Servicer, shall, pursuant to clause (i) or (ii) below, from available Series 1993-1 Imputed Yield Collections and with respect to an amount equal to the Class A Default Amount for such day, if any (without regard to the aggregate amount of Class A Charge-Offs outstanding from previous days), (i) during the Non-Amortization Period, pay such Class A Default Amount to the Holder of the Transferor Certificate to the extent of such Series 1993-1 Imputed Yield Collections (and, if required, from available Undistributed Class B Interest and Subordinated Series 1993-1 Principal Collections), and (ii) during the Amortization Period, deposit such Class A Default Amount to the extent of available Series 1993-1 Imputed Yield Collections (and, if required, from available Undistributed Class B Interest and Subordinated Series 1993-1 Principal Collections) into the Principal Funding Account. The excess, if any, of the Class A Default Amount on any day over the sum of (x) the available Series 1993-1 Imputed Yield Collections, (y) the available Undistributed Class B Interest and (z) the available Subordinated Series 1993-1 Principal Collections on such day, shall be referred to as a "Class A Charge-Off" and shall constitute a reduction to the Class A Invested Amount. Any amounts paid under this Section 4.04(c) shall be treated, for all purposes hereunder, as payments in respect of Principal Receivables.

(d) Daily Reimbursement of Class A Charge-Offs. On each Business Day other than a Settlement Date, after giving effect to the payments required pursuant to Sections 4.04(a), (b) and (c) (including any payments from Undistributed Class B Interest and Subordinated Series 1993-1 Principal Collections with respect thereto), the Trustee, acting in accordance with instructions from the Servicer, shall, from available Series 1993-1 Imputed Yield Collections, and with respect to the aggregate amount of Class A Charge-Offs, if any, which have not theretofore been reimbursed pursuant to this Section 4.04(d) or Section 4.04(j) (i) during the Non-Amortization Period, pay such amounts to the extent of available Series 1993-1 Imputed Yield Collections (and, if required, from available Undistributed Class B Interest and Subordinated Series 1993-1 Principal Collections), to the Holder of the Transferor Certificate and (ii) during the Amortization Period, deposit such amounts, to the extent of available Series 1993-1 Imputed Yield Collections (and, if required, from available Undistributed Class B Interest and Subordinated Series 1993-1 Principal Collections), into the Principal Funding Account, and the amount of such payment or deposit shall constitute an increase of the Class A Invested Amount. Any amounts paid under this Section 4.04(d) shall be treated, for all purposes hereunder, as payments in respect of Principal Receivables.

(e) Class B Certificate Interest. On each of the last 10 Business Days of the month preceding the month in which each Payment Date occurs, after giving effect to the payments required pursuant to Sections 4.04(a), (b), (c) and (d), and (i) and (j) if a Settlement Date, the Trustee, acting in accordance with instructions from the Servicer, shall deposit into the Interest Funding Account, with respect to Class B Certificates and solely from Series 1993-1 Imputed Yield Collections (i) first, one-tenth of the aggregate interest that has accrued and will accrue at the Class B Certificate Rate for each day from and including the preceding Payment Date to but not including the next succeeding Payment Date on the Class B Invested Amount after giving effect to payments made on the preceding Payment Date (without regard to Class B Charge-Offs, if any, incurred subsequent to such preceding Payment Date) and (ii) second, the amount of the unpaid Class B Deficiency Amount (as defined below) on the previous Business Day. The cumulative excess, if any, of the amounts required to be paid under (i) and (ii) above over the available Series 1993-1 Imputed Yield Collections on any day shall be referred to as the "Class B Deficiency Amount" with respect to the Series 1993-1 Certificates. Interest shall not accrue on the Class B Deficiency Amount. Any and all

amounts deposited in the Interest Funding Account with respect to interest on the Class B Certificates but not actually distributed to the Class B Certificateholders ("Undistributed Class B Interest"), shall, to the extent of any amounts required to be deposited or paid with respect to the Class A Certificates on any Business Day pursuant to Sections 4.04(a), (b), (c), (d), (i) and (j) which are not provided for in full by available Series 1993-1 Imputed Yield Collections on such day, be reallocated and, if applicable, paid or deposited in satisfaction of such amounts for the benefit of the Class A Certificateholders. Any Undistributed Class B Interest which is so reallocated shall give rise to a corresponding Class B Deficiency Amount on the day so reallocated.

(f) Class B Default Amounts. On each Business Day, after giving effect to the payments required pursuant to Sections 4.04(a), (b), (c), (d), (i) and (j) if a Settlement Date, and (e), the Trustee, acting in accordance with instructions from the Servicer, shall, pursuant to clause (i) or (ii) below, solely from available Series 1993-1 Imputed Yield Collections and with respect to an amount equal to the Class B Default Amount for such day, if any (without regard to the aggregate amount of Class B Charge-Offs outstanding from previous days), (i) during the Non-Amortization Period, pay such Class B Default Amount to the Holder of the Transferor Certificate, to the extent of such Series 1993-1 Imputed Yield Collections, and (ii) during the Amortization Period, deposit such Class B Default Amount (to the extent of available Series 1993-1 Imputed Yield Collections) into the Principal Funding Account. The excess, if any, of the Class B Default Amount on any day over the available Series 1993-1 Imputed Yield Collections on such day shall be referred to as a "Class B Charge-Off" and shall constitute a reduction to the Class B Invested Amount. Any amounts paid under this Section 4.04(f) shall be treated, for all purposes hereunder, as payments in respect of Principal Receivables. Notwithstanding anything to the contrary in this Section 4.04(f), from and after the Amortization Period Commencement Date, until the Class A Invested Amount and all accrued interest thereon has been paid to, or deposited for the benefit of, the Class A Certificateholders, no allocation of available Series 1993-1 Imputed Yield Collections to the Class B Default Amount shall be made under this Section 4.04(f).

(g) Daily Reimbursement of Class B Charge-Offs; Late Charge. On each Business Day other than a Settlement Date, after giving effect to the payments required pursuant to Sections 4.04(a), (b), (c), (d), (e) and (f), the Trustee, acting in accordance with instructions from the Servicer, shall, solely from available Series 1993-1 Imputed Yield Collections and with respect to the aggregate amount of Class B Charge-Offs, if any, which have not theretofore been reimbursed pursuant to this Section 4.04(g) or Section 4.04(1) (i) during the Non-Amortization Period, pay such amounts, to the extent of available Series 1993-1 Imputed Yield Collections, to the Holder of the Transferor Certificate and (ii) during the Amortization Period, deposit such amounts, to the extent of available Series 1993-1 Imputed Yield Collections, into the Principal Funding Account, and the amount of such payment or deposit shall constitute an increase to the Class B Invested Amount. Any amounts paid under this Section 4.04(g) shall be treated, for all purposes hereunder, as payments in respect of Principal Receivables. Notwithstanding anything to the contrary in this Section 4.04(g), from and after the Amortization Period Commencement Date, until the Class A Invested Amount and all accrued interest thereon has been paid to, or deposited for the benefit of, the Class A Certificateholders, no allocation of available Series 1993-1 Imputed Yield Collections to reimbursement of Class B Charge-Offs shall be made under this Section 4.04(g).

On each Business Day other than a Settlement Date, after giving effect to the payments required pursuant to Sections 4.04(a), (b), (c), (d), (e), (f) and the preceding paragraph of this subsection (g), the Trustee, acting in accordance with instructions from the Servicer, shall deposit into the Interest Funding Account and pay to the Class A Certificateholders an amount equal to the lesser of (i) all remaining Series 1993-1 Imputed Yield Collections and (ii) the amount of the unpaid Late Charge, if any, payable pursuant to Section 26 of the Series 1993-1 Supplement.

(h) Daily Payments and Deposits of Excess Series 1993-1 Imputed Yield Collections. On each Business Day other than a Settlement Date, after giving effect to the payments required pursuant to Sections 4.04(a), (b), (c), (d), (e), (f) and (g), the Trustee, acting in accordance with instructions from the Servicer, shall pay or deposit, as applicable, all remaining Series 1993-1 Imputed Yield Collections (i) if the Transferor Eligible Amount as of the end of the preceding Business Day is greater than or equal to the Transferor Minimum Amount, to the Holder of the Transferor Certificate and (ii) if the Transferor Eligible Amount as of the end of the preceding Business Day is less than the Transferor Minimum Amount, first to the Transferor Account to the extent required to cause the Transferor Eligible Amount to be not less than the Transferor Minimum Amount, and second, any remaining Series 1993-l Imputed Yield Collections, to the Holder of the Transferor Certificate. Notwithstanding the preceding sentence, from and after the Amortization Period Commencement Date, all excess Series 1993-1 Imputed Yield Collections shall first be allocated to the payment of the unpaid Make-Whole Amount, if any, owing to the Class A Certificateholders pursuant to Section 19 of the Series 1993-1 Supplement and, if sufficient funds have been allocated to fully satisfy such unpaid Make-Whole Amount, remaining excess Series 1993-1 Imputed Yield Collections shall be characterized as Principal Collections in respect of the Series 1993-1 Certificates and deposited into the Principal Funding Account.

Monthly Settlement

On each Settlement Date, the Servicer shall deliver to the Trustee a Settlement Statement. On each Settlement Date, the Servicer also shall

deliver to the Trustee a Daily Report in which it shall instruct the Trustee to withdraw with respect to the Series 1993-1 Certificates and pay, and the Trustee, acting in accordance with such instructions, shall withdraw and pay or cause to be withdrawn and paid on such day (to the extent, solely with respect to Sections 4.04(i), (j), (k), (1), (m) and (n) in the case of amounts payable to the Holder of the Transferor Certificate, the Servicer has not effected any such payment by deduction of such amount from net Collections remitted to the Collection Account on such Business Day as set forth in the Daily Report), the amounts required to be withdrawn and paid from the Collection Account pursuant to Sections 4.04(i), (j), (k), (1), (m) and (n).

(i) Class A Certificate Defaults. On each Settlement Date, after giving effect to the payments required pursuant to Sections 4.04(a), (b) and (c) (including any payments from Undistributed Class B Interest and Subordinated Series 1993-1 Principal Collections with respect thereto), the Trustee, acting in accordance with instructions from the Servicer, shall pay, from available Series 1993-1 Imputed Yield Collections, an amount equal to the excess, if any, of (i) the product of (x) the Defaulted Amount for the preceding Settlement Period as determined on the preceding Determination Date and (y) the average Class A Invested Percentage during such preceding Settlement Period over (ii) the aggregate Class A Default Amounts for each Business Day in the preceding Settlement Period (in each case, without regard to the aggregate amount of Class A Charge-Offs outstanding from previous days) (the "Class A Default Deficiency Amount"), (i) to the Holder of the Transferor Certificate, during the Non-Amortization Period to the extent of available Series 1993-1 Imputed Yield Collections (and, if required, from Undistributed Class B Interest and Subordinated Series 1993-1 Principal Collections) and (ii) to the Principal Funding Account, during the Amortization Period to the extent of available Series 1993-1 Imputed Yield Collections (and, if required, from Undistributed Class B Interest and Subordinated Series 1993-1 Principal Collections). If available Series 1993-1 Imputed Yield Collections are less than the Class A Default Deficiency Amount, the Trustee, acting in accordance with instructions from the Servicer, shall determine the aggregate amount paid to the Holder of the Transferor Certificate during the preceding Settlement Period pursuant to Section 4.04(h) and shall deem such payments to have been made in satisfaction of such Class A Default Deficiency Amount, up to the amount thereof. Any amounts recharacterized as payments of the Class A Default Deficiency Amount shall be treated, for all purposes hereunder, as payments in respect of Principal Receivables.

(j) Settlement Date Adjustment and Reimbursement of Class A Charge-Offs. On each Settlement Date, the Trustee, acting in accordance with instructions from the Servicer, shall reduce the aggregate amount of Class A Charge-Offs, if any, and correspondingly increase the Class A Invested Amount, to the extent of the excess, if any, of (i) the aggregate Class A Default Amounts for each Business Day in the preceding Settlement Period over (ii) the product of (x) the Defaulted Amount for the preceding Settlement Period as determined on the preceding Determination Date and (y) the average Class A Invested Percentage during such preceding Settlement Period. On each Settlement Date, after giving effect to such reduction and to the payments required pursuant to Sections 4.04(a), (b), (c) and (i) (including any payments from Undistributed Class B Interest and Subordinated Series 1993-1 Principal Collections with respect thereto), the Trustee, acting in accordance with instructions from the Servicer, shall pay, from available Series 1993-1 Imputed Yield Collections, an amount equal to the sum of (x) the aggregate amount of Class A Charge-Offs, if any, which have not theretofore been reimbursed pursuant to Section 4.04(d) and this Section 4.04(j) and (y) the excess, if any, of the amount determined pursuant to the first sentence of Section 4.04(i) over the amount paid or characterized as having been paid with respect thereto pursuant to the first and second sentences of Section 4.04(i) ("Unreimbursed Class A Charge-Offs"), (i) to the Holder of the Transferor Certificate, during the Non-Amortization Period to the extent of available Series 1993-1 Imputed Yield Collections (and, if required, from Undistributed Class B Interest and Subordinated Series 1993-1 Principal Collections), and (ii) to the Principal Funding Account, during the Amortization Period to the extent of Series 1993-1 Imputed Yield Collections (and, if required, from Undistributed Class B Interest and Subordinated Series 1993-1 Principal Collections), and the Class A Invested Amount shall be increased by the amount so paid or deposited. Any such amounts paid under this Section 4.04(j) shall be treated, for all purposes hereunder, as payments in respect of Principal Receivables.

(k) Class B Certificate Defaults. On each Settlement Date, after giving effect to the payments required pursuant to Sections 4.04(a), (b), (c), (i), (j), (e) and (f), the Trustee, acting in accordance with instructions from the Servicer, shall pay, solely from available Series 1993-1 Imputed Yield Collections, an amount equal to the excess, if any, of (i) the product of (x) the Defaulted Amount for the preceding Settlement Period as determined on the preceding Determination Date and (y) the average Class B Invested Percentage during such preceding Settlement Period over (ii) the aggregate Class B Default-Amounts for each Business Day in the preceding Settlement Period (in each case, without regard to the aggregate amount of Class B Charge-Offs outstanding from previous days) (the "Class B Default Deficiency Amount"), (i) to the Holder of the Transferor Certificate, during the Non-Amortization Period to the extent of available Series 1993-l Imputed Yield Collections, and (ii) to the Principal Funding Account, during the Amortization Period to the extent of available Series 1993-1 Imputed Yield Collections. If available Series 1993-1 Imputed Yield Collections are less than the Class B Default Deficiency Amount, the Trustee, acting in accordance with instructions from the Servicer, shall determine the aggregate amount paid to the Holder of the Transferor Certificate during the preceding Settlement Period pursuant to Section 4.04(h) and shall deem such payments to have been made in satisfaction of such Class B Default Deficiency Amount, up to the amount

thereof. Any amounts recharacterized as payments of the Class B Default Deficiency Amount shall be treated, for all purposes hereunder, as payments in respect of Principal Receivables. Notwithstanding anything to the contrary in this Section 4.04(k), from and after the Amortization Period Commencement Date, until the Class A Invested Amount and all accrued interest thereon has been paid to, or deposited for the benefit of, the Class A Certificateholders, no allocation of available Series 1993-1 Imputed Yield Collections to the Class B Default Deficiency Amount shall be made under this Section 4.04(k).

(l) Settlement Date Adjustment and Reimbursement of Class B Charge-Offs. On each Settlement Date, the Trustee, acting in accordance with instructions from the Servicer, shall reduce the aggregate amount of Class B Charge-Offs, if any, and correspondingly increase the Class B Invested Amount, to the extent of the excess, if any, of (i) the aggregate Class B Default Amounts for each Business Day in the preceding Settlement Period over (ii) the product of (x) the Defaulted Amount for the preceding Settlement Period as determined on the preceding Determination Date and (y) the average Class B Invested Percentage during such preceding Settlement Period. On each Settlement Date, after giving effect to such reduction and to the payments required pursuant to Sections 4.04(a), (b), (c), (i), (j), (e), (f) and (k), the Trustee, acting in accordance with instructions from the Servicer, shall pay, solely from available Series 1993-1 Imputed Yield Collections, an amount equal to the sum of (x) the aggregate amount of Class B Charge-Offs, if any, which have not theretofore been reimbursed pursuant to Section 4.04(g) and this Section 4.04(l) and (y) the excess, if any, of the amount determined pursuant to the first sentence of Section 4.04(k) over the amount paid or characterized as having been paid with respect thereto pursuant to the first and second sentences of Section 4.04(k) ("Unreimbursed Class B Charge-offs"), (i) to the Holder of the Transferor Certificate, during the Non-Amortization Period to the extent of available Series 1993-1 Imputed Yield Collections, and (ii) to the Principal Funding Account, during the Amortization Period to the extent of Series 1993-1 Imputed Yield Collections, and the Class B Invested Amount shall be increased by the amount so paid or deposited. Any amounts paid under A. s Section 4.04(l) shall be treated, for all purposes hereunder, as payments in respect of Principal Receivables. Notwithstanding anything to the contrary in this Section 4.04(l), from and after the Amortization Period Commencement Date, until the Class A Invested Amount and all accrued interest thereon has been paid to, or deposited for the benefit of, the Class A Certificateholders, no allocation of available Series 1993-1 Imputed Yield Collections to Unreimbursed Class B Charge-Offs shall be made under this Section 4.04(1).

(m) Settlement Date Payments and Deposits of Excess Series 1993-1 Imputed Yield Collections. On each Settlement Date, after giving effect to the payments required pursuant to Sections 4.04(a), (b), (c), (i), (j), (e), (f), (k) and (l), the Trustee, acting in accordance with instructions from the Servicer, shall pay or deposit, as applicable, all remaining Series 1993-1 Imputed Yield Collections (i) if the Transferor Eligible Amount as of the end of the preceding Business Day is greater than or equal to the Transferor Minimum Amount, to the Holder of the Transferor Certificate and (ii) if the Transferor Eligible Amount as of the end of the preceding Business Day is less than the Transferor Minimum Amount, first, to the Transferor Account to the extent required to cause the Transferor Eligible Amount to be not less than the Transferor Minimum Amount, and second, any remaining Series 1993-1 Imputed Yield Collections, to the Holder of the Transferor Certificate. Notwithstanding the preceding sentence, from and after the Amortization Period Commencement Date, all excess Series 1993-1 Imputed Yield Collections shall be recharacterized as Principal Collections in respect of the Series 1993-1 Certificates and, at the written direction of the Servicer, shall be deposited into the Principal Funding Account.

(n) Undistributed Series 1993-1 Imputed Yield Collections. If, as of the end of any day on which Series 1993-1 Imputed Yield Collections are to be distributed pursuant to Sections 4.04(c), (d), (f), (g), (h), (i), (j), (k), (l) or (m), such payments would cause the Transferor Eligible Amount, after taking into account payments to the Transferor pursuant to Section 4.03 and Sections 4.04(c), (d), (f), (g), (h), (i), (j), (k), (l) and (m) and the increase in the Transferor Eligible Amount resulting from the transfer of any new Receivables to the Trust as of such day, to be less than the Transferor Minimum Amount (any such Series 1993-1 Imputed Yield Collections to the extent applied to reduce the Transferor Eligible Amount to the Transferor Minimum Amount being referred to as "Distributed Series 1993-1 Imputed Yield Collections"), then the Trustee, acting in accordance with instructions from the Servicer, shall pay or deposit, as applicable, any Series 1993-1 Imputed Yield Collections allocated to the Holder of the Transferor Certificate in excess of Distributed Series 1993-1 Imputed Yield Collections ("Undistributed Series A Imputed Yield Collections"), first, to the Transferor Account to the extent required to cause the Transferor Eligible Amount to be not less than the Transferor Minimum Amount, and second, any remaining Series 1993-1 Imputed Yield Collections to the Holder of the Transferor Certificate. Notwithstanding the preceding sentence, from and after the Amortization Period Commencement Date, all Undistributed Series 1993-1 Imputed Yield Collections shall be recharacterized as Principal Collections in respect of the Series 1993-1 Certificates and, at the written direction of the Servicer, deposited into the Principal Funding Account.

Payments on Payment Dates

On each Payment Date, the Servicer with respect to the Series 1993-1 Certificates shall instruct the Trustee to withdraw and pay and the Trustee, acting in accordance with such instructions shall withdraw and pay or cause to be withdrawn and paid on such day, the amounts required to be withdrawn and paid from the Interest Funding Account pursuant to Sections

4.04(o) and (p).

(o) Payments to Class A Certificateholders. On each Payment Date, after giving effect to the payments and deposits required pursuant to this Section 4.04(a) through (n) (including any payments from Subordinated Series 1993-1 Principal Collections), the Trustee, acting in accordance with instructions from the Servicer, shall apply from the amount on deposit in the Interest Funding Account an amount equal to the sum of the Class A Interest Distribution Amount and the unpaid Late Charge, if any, not previously paid under Section 4.04(g) and shall pay such amount to the Class A Certificateholders.

(p) Payments to Class B Certificateholders. On each Payment Date, after giving effect to the payments and deposits required pursuant to this Section 4.04(a) through (o), the Trustee, acting in accordance with instructions from the Servicer, shall apply from the amount on deposit in the Interest Funding Account an amount equal to the Class B Interest Distribution Amount and shall pay such amount to the Class B Certificateholders, provided, however, that from and after the Amortization Period Commencement Date, until the Class A Invested Amount and all accrued interest thereon, unpaid Late Charges, if any, and the Make-Whole Amount and the Other Series Make-Whole Amount (as hereinafter defined), if any, have been paid to the Class A Certificateholders, no distribution of interest on the Class B Certificates shall be made under this Section 4.04(p) and amounts allocated to such interest and deposited in the Interest Funding Account pursuant to Section 4.04(e) shall be retained in the Interest Funding Account. After the Class A Invested Amount, all interest thereon and any Late Charges have been paid in full, amounts in respect of interest on the Class B Certificates retained in the Interest Funding Account pursuant to the preceding sentence shall be applied to pay the Make-Whole Amount and Other Series Make-Whole Amount, if any, prior to distribution of any such amount to the Class B Certificateholders. Notwithstanding anything to the contrary, payment shall not be made to the Class B Certificateholders on any Payment Date unless the Class A Certificateholders shall be paid all amounts owed to them on such Payment Date, including Late Charges, if any.

Section 4.06 is modified in its entirety to read as follows:

Section 4.06. Payment of Principal.

Daily Payments and Deposits

(a) On each Business Day prior to the commencement of the Amortization Period, the Servicer shall instruct the Trustee to pay the amount allocated pursuant to Section 4.03(b)(i)(B) (the "Series 1993-1 Principal Collections") (without duplication of amounts to be paid pursuant to Sections 4.04(c), (d), (f), (g), (h), (i), (j), (k), (l), (m) and (n)), and the Trustee shall pay such amount, to the Holder of the Transferor Certificate; provided, however, that if as of the beginning of the preceding Business Day, the Transferor Eligible Amount was less than the Transferor Minimum Amount, the Servicer shall direct the Trustee to pay (to the extent available) to the Transferor Account at least an amount equal to such deficiency. Notwithstanding the preceding sentence (including the proviso thereto), on each Business Day prior to the commencement of the Amortization Period, Series 1993-1 Principal Collections not exceeding the Class B Invested Amount on such day (the "Subordinated Series 1993-1 Principal Collections") shall, to the extent of any amounts required to be deposited or paid with respect to the Class A Certificates on any Business Day pursuant to Sections 4.04(a), (b), (c), (d), (i) and (j) which are not provided for in full by available Series 1993-1 Imputed Yield Collections on such day or by Undistributed Class B Interest reallocated on such day pursuant to Section 4.04(e), be reallocated and, if applicable, paid or deposited in satisfaction of such amounts for the benefit of the Class A Certificateholders. Any Subordinated Series 1993-1 Principal Collections which are so allocated shall give rise to a corresponding Class B Charge-Off on the day so allocated.

(b) Commencing on the first Business Day in the Amortization Period and on each Business Day thereafter until the end of such Amortization Period, the Servicer shall instruct the Trustee in writing to withdraw, and the Trustee shall withdraw, from the Collection Account the amount allocated and deposited pursuant to Section 4.03(b)(ii)(B) (without duplication of amounts to be paid pursuant to Sections 4.04(c), (d), (f), (g), (h), (i), (j), (k), (l), (m) and (n)), and after giving effect to any required payments from Subordinated Series 1993-1 Principal Collections the Trustee shall deposit such amount, together with the amounts to be paid pursuant to Sections 4.04(c), (d), (f), (g), (h), (i), (j), (k), (l), (m) and (n) in the Principal Funding Account on behalf of the Holders of the Series 1993-1 Certificates.

Payments on Each Payment Date

(c) On each Payment Date during the Amortization Period, after giving effect to the deposits required pursuant to this Section 4.06(b), the Trustee, acting in accordance with instructions from the Servicer, shall pay the amount on deposit in the Principal Funding Account through such Payment Date to the Class A Certificateholders until the Class A Invested Amount is paid in full, then shall pay the amount remaining on deposit in the Principal Funding Account through such Payment Date to the Class A Certificateholders in an amount not to exceed the unpaid Make-Whole Amount, if any, and finally shall pay the amount remaining on deposit in the Principal Funding Account through such Payment Date to the Class A Certificateholders of Series 1993-2 in an amount not to exceed the unpaid Make-Whole Amount (the "Other Series Make-Whole Amount") owed to such Class A Certificateholders under the Series 1993-2 Supplement, if any.

(d) On each Payment Date during the Amortization Period on or after the Class A Certificateholders have been paid in full, including the Make-Whole Amount, if any, owed to the Class A Certificateholders and the Other Series Make-Whole Amount, if any, has been paid in full and after giving effect to the deposits required pursuant to this Section 4.06(b), the Trustee, acting in accordance with instructions from the Servicer, shall pay the amount remaining on deposit in the Principal Funding Account through such Payment Date to the Class B Certificate-holders.

Section 9.01 is modified as follows:

The following events, numbered as indicated, also shall constitute Events of Termination thereunder:

(xi) Ingram shall fail to make any payment or deposit required to be made pursuant to the terms of the Purchase Agreement on or before three Business Days after the date such payment or deposit is required to be made thereunder;

(xii) the Lien created in favor of the Trust on all the Trust Assets shall cease to be a perfected, first priority enforceable Lien thereon, or the Transferor or Ingram shall so assert in writing (and such Receivables are not repurchased pursuant to Section 2.04(c));

(xiii) the Servicer shall fail to deliver the Daily Report or Settlement Statement to the Trustee and such failure continues for a period of three Business Days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer by the Trustee; provided, however, that a delay in or failure to deliver any such Daily Report or Settlement Statement for a period of five Business Days shall not constitute an Event of Termination until the expiration of such five Business Days if such delay or failure could not be prevented by the exercise of reasonable diligence by the Servicer and such delay or failure was caused by an Act of God, the public enemy, acts of declared or undeclared war, public disorder, rebellion or sabotage, epidemics, landslides, lightning, fire, hurricane, earthquakes, floods, telecommunications disruptions, computer failures or similar causes;

(xiv) a Material Subsidiary shall voluntarily seek, consent to or acquiesce in the benefit or benefits of any Debtor Relief Law or becomes a party to (or is made the subject of) any proceeding provided for by any Debtor Relief Law, other than as creditor or claimant, and in the event such proceeding is involuntary, the petition instituting same is not dismissed within 60 days of its filing; or a Material Subsidiary shall become unable for any reason to sell Receivables to Ingram in accordance with the provisions of the applicable Subsidiary Purchase Agreement; or

(xv) payment of interest with respect to the Class A Certificates is not made on the Payment Date (without regard to any grace period) more than two times prior to the scheduled Amortization Period Commencement Date when the full amount of funds that would be required to make such payment are not on deposit in the Interest Funding Account on such Payment Date, provided, however, that failure to make payment on a Payment Date shall not be a cause of an Event of Termination under this subparagraph (xv) if reasonably attributable to either (A) any action taken or not taken by the Trustee in respect of such payment, unless the Trustee's action or lack of action was the direct result of misdirection, or lack of required direction, by Ingram or (B) an Act of God, the public enemy, acts of declared or undeclared war, public disorder, rebellion or sabotage, epidemics, landslides, lightning, fire, hurricanes, earthquakes, floods, telecommunications disruptions, computer failures, disruptions to the federal wire transfer system or similar causes.

The final text which follows the listing of Events of Termination is modified in its entirety to read as follows:

then, (a) in the case of any event described in subparagraph (i) (other than clause (B) thereof), (ii), (vi), (viii), (xi), (xiii), (xiv) or (xv) after any applicable grace period set forth in such subparagraphs, either the Trustee or the Holders of Investor Certificates of the related Series evidencing Undivided Interests aggregating more than 65% of the related Invested Amount of such Series by notice then given in writing to the Transferor and the Servicer (and to the Trustee if given by the Certificateholders) may declare that an Event of Termination has occurred (A) with respect to all Series of Certificates (in the case of notice given by the Trustee) or (B) such Series (in the case of notice given by the Investor Certificateholders) as of the date of such notice, or (b) in the case of any event described in clause (B) of subparagraph (i) or in subparagraphs (iii), (iv), (v), (vii), (ix), (x) or (xii) an Event of Termination with respect to all Series shall occur without any notice or other action on the part of the Trustee or any certificateholder immediately upon the occurrence of such event.

SECTION 3. Initial Invested Amount of the Series 1993-1 Certificates.

The Initial Invested Amount of the Series 1993-1 Certificates shall be $66,000,000. The Initial Invested Amount of the Class A Certificates shall be $60,000,000 (the "Class A Inertial Invested Amount"). The Initial Invested Amount of the Class B Certificates shall be $6,000,000 (the "Class B Initial Invested Amount").

SECTION 4. Series 1993-1 Certificate Rates.

The Certificate Rate for the Class A Certificates shall be 6.19% per annum (the "Class A Certificate Rate"). The Certificate Rate for the Class B Certificates shall be 6.19% per annum (the "Class B Certificate Rate").

SECTION 5. Servicing Fee.

The Servicing Fee Percentage applicable to the Series 1993-1 Certificates shall be 0.25% per annum.

SECTION 6. Applicable Minimum Percentage and Minimum Adjusted Eligible Principal Receivables.

The Applicable Minimum Percentage with respect to the Series 1993-1 Certificates shall be 15%, subject to increase in accordance with the following sentence. If, on any Determination Date, the Base Dilution exceeds 8%, then the Applicable Minimum Percentage shall be increased, effective as of such Determination Date, by 0.034% for each 0.01% that the Base Dilution exceeds 8%. As used herein, "Base Dilution" means the greater of (i) the One Month Dilution Ratio for the Settlement Period in the prior calendar year that corresponds with the Settlement Period in which such Determination Date occurs and (ii) the Dilution Ratio at such Determination Date. If the foregoing calculation, which shall be made on each Determination Date, results in a reduction in the Applicable Minimum Percentage from such Percentage then in effect, such reduction shall be effective as of such Determination Date, but in no event shall the Applicable Minimum Percentage be reduced to less than 15%. Upon final payment of the Series 1993-1 Certificates, the Minimum Adjusted Eligible Principal Receivables shall he computed in a manner consistent with the Agreement or any Future Supplement, as appropriate.

SECTION 7. Calculation of Transferor Minimum Amount.

For purposes of calculating the Transferor Minimum Amount with respect to the Series 1993-1 Certificates during the Amortization Period, the Series 1993-1 Invested Amount shall be deemed to remain constant at the amount in effect at the commencement of the Amortization Period, regardless of any partial payment of principal with respect thereto on any Payment Date, until the Payment Date on which the Class A Certificates are paid in full, provided, however, that to the extent that the Transferor Minimum Amount with respect to the Series 1993-1 Certificates would at any time exceed 100% of the Class A Invested Amount by reason of this sentence, the Transferor Minimum Amount with respect to the Series 1993-1 Certificates may be reduced to an amount not less than 100% of such Class A Invested Amount if calculation thereof under the Agreement without regard to this Section 7 would otherwise permit such. reduction.

SECTION 8. Amortization Period Commencement Date.

The Amortization Period Commencement Date is June 1, 1998.

SECTION 9. Series Termination Date.

The Series Termination Date for the Series 1993-1 Certificates shall be December 15, 1999.

SECTION 10. Repurchase Terms.

Pursuant to Article 12 of the Agreement, the Class A Certificates may be repurchased by the Transferor on any Payment Date on or after the day on which the Class A Invested Amount is reduced to an amount less than or equal to $6,000,000 upon the satisfaction of the conditions described in Section 12.02(a) of the Agreement. The repurchase price shall be equal to the Class A Invested Amount plus accrued and unpaid interest on the Class A Certificates through the day preceding the Payment Date on which the repurchase occurs. Notwithstanding the above, no repurchase of the Class A Certificates may be made pursuant to this Section 10 if, after giving effect to such repurchase, the unpaid Make-Whole Amount is greater than zero.

SECTION 11. Delivery and Payment for the Series 1993-1 Certificates.

The Trustee shall deliver the Series 1993-1 Certificates to the Transferor when authenticated upon the written direction of the Transferor.

SECTION 12. Minimum Authorized Denominations; Special Rule on Transfer and Exchange.

The Class A Certificates shall be issued in fully registered form in denominations of $5,000,000 and $500,000 integral multiples in excess thereof, provided that, as directed by the Transferor, the Trustee may on the Closing Date authenticate Class A Certificates in denominations of less than $5,000,000. No registration of transfer or exchanges shall be permitted in a manner that would permit any Class A Certificate initially issued in a denomination of $5,000,000 or less to be registered upon transfer or exchange in any denomination less than the amount of such Class A Certificate (or predecessor Class A Certificate) upon the issuance thereof on the Closing Date. The Class B Certificates shall be issued in fully registered form in denominations of $1,000,000 and $500,000 integral multiples in excess thereof, provided that, as directed by the Transferor, the Trustee may on the Closing Date authenticate Class B Certificates in denominations of less than $1,000,000. No registration of transfer or exchanges shall be permitted in a manner that would permit any Class B Certificate initially issued in a denomination of $1,000,000 or less to be registered upon transfer or exchange in any denomination less than the amount of such Class B Certificate (or predecessor Class B Certificate) upon the issuance thereof on the Closing Date.

SECTION 13. Transferee Certification.

Attached hereto as Exhibit 1 is the form of certification to be delivered by a proposed transferee as a condition to any transfer of a Series 1993-1 Certificate made pursuant to Section 6.03 of the Agreement.

Notwithstanding anything to the contrary in Section 6.03 of the Agreement, no Opinion of Counsel shall be required in connection with the transfer of a Series 1993-1 Certificate of the proposed transferee delivers such certification.

SECTION 14. Definitions.

For the purposes of the Agreement and this Supplement, the following capitalized terms shall be defined as follows and shall supersede, with respect to the Series 1993-1 Certificates, any definitions stated in Article I of the Agreement or Annex X thereto:

"Class A Default Amount" for any day shall mean the product of (i) the portion of the Investor Default Amount in respect of the Series 1993-1 Certificates incurred on such day and (ii) the decimal equivalent of a fraction, the numerator of which is the Class A Invested Amount on such day and the denominator of which is the Series 1993-1 Invested Amount on such day.

"Class A Interest Distribution Amount" shall mean, with respect to any Payment Date, the product of the Class A Certificate Rate and the Class A Invested Amount on the first day of the preceding Series 1993-1 Interest Accrual Period.

"Class A Invested Amount" shall mean, when used with respect to any day, an amount equal to (a) the Class A Initial Invested Amount, minus (b) the aggregate amount of principal payments made to Class A Certificateholders prior to such day and minus (c) the excess, if any, of the aggregate amount of Class A Charge-Offs over Class A Charge-Offs reimbursed pursuant to Sections 4.04(d) and (j).

"Class B Default Amount" for any day shall mean the product of (i) the portion of the Investor Default Amount in respect of the Series 1993-1 Certificates incurred on such day and (ii) the decimal equivalent of a fraction, the numerator of which is the Class B Invested Amount on such day and the denominator of which is the Series 1993-1 Invested Amount on such day.

"Class B Interest Distribution Amount" shall mean, with respect to any Payment Date, the product of the Class B Certificate Rate and the Class B Invested Amount on the first day of the preceding Series 1993-1 Interest Accrual Period.

"Class B Invested Amount" shall mean, when used with respect to any day, an amount equal to (a) the Class B Initial Invested Amount, minus (b) the aggregate amount of principal payments made to Class B Certificateholders prior to such day and minus (c) the excess, if any, of the aggregate amount of Class B Charge-Offs over Class Charge-Offs reimbursed pursuant to Sections 4.04(g) and (1).

"Payment Date" shall mean (i) on or before the Amortization Period Commencement Date, the 15th day of each March, June, September and December (or if such day is not a Business Day, the next succeeding Business Day) or (ii) during the Amortization Period, the 15th day of each month (or if such day is not a Business Day, the next succeeding Business Day).

"Record Date" shall mean, with respect to any Payment Date, the last day of the month immediately preceding such Payment Date.

"Series 1993-1 Interest Accrual Period" shall mean, with respect to any Payment Date, the period from and including the preceding Payment Date to but not including such Payment Date, provided, that the first such Interest Accrual Period shall be the period from and including the Closing Date to but not including the first Payment Date.

"Series 1993-1 Invested Amount" shall mean, on any day, the sum of the Class A Invested Amount and the Class B Invested Amount on such day.

The words "hereof," "herein" and "hereunder" and words of similar import when used in this Supplement shall refer to this Series Supplement or the Agreement as a whole and not to any particular provision of this Supplement or the Agreement, as the case may be; and Section, Schedule and Exhibit references contained in this Agreement or this Series Supplement are references to Sections, Schedules and Exhibits in or to the Agreement or this Series Supplement unless otherwise specified.

SECTION 15. Accrual of Interest on the Series 1993-1 Certificates.

Interest shall accrue on the Series 1393-1 Certificate from the date hereof.

SECTION 16. Distributions.

The Trustee shall use its best efforts to send distributions to the Series 1993-1 Certificateholders under Section 5.01 of the Agreement to each such Certificateholder by 12:30 p.m. (New York City time) on each Payment Date by wire transfer of immediately available funds to an account or accounts designated by such Certificateholders, by written notice to the Trustee and the Paying Agent given at least five days prior to any Payment Date (such notice to remain effective with respect to a Holder until different instructions from such Holder are received by the Trustee), or if no such notice is given, by check mailed as provided in Section 5.01 of the Agreement. The Trustee acknowledges that it has received, on the Closing

Date, a copy of such notice by means of a copy of the certificate purchase agreement(s) between the Transferor and each initial Holder of a Series 1993-1 Certificate.

SECTION 17. Notices, Reports and Certificates.

(a) The Trustee agrees that it will furnish to each Holder of a Class A Certificate all notices, reports and certificates that are either prepared or received by the Trustee pursuant to the Agreement, without any need for request for any such materials by any such Holder, on the same date as any such materials are otherwise distributed, in the case of materials prepared by the Trustee, or within one Business Day of receipt by the Trustee, in the case of materials prepared by others, including without limitation, the Settlement Statement, the Officer's Certificate contemplated by Section 3.05 of the Agreement and the reports contemplated by Section 3.06 of the Agreement, provided, however, that this sentence shall not apply to the Daily Report delivered by the Servicer to the Trustee. Materials furnished by the Trustee pursuant to this paragraph (a) will be sent by first class mail, postage prepaid, to each Holder at the address shown for it in the Certificate Register maintained by the Trustee.

(b) In order to enable the Trustee to furnish materials to each Holder of a Class A Certificate in accordance with paragraph (a) above, the Servicer agrees that it will furnish to the Trustee all notices, reports and certificates that are either prepared or received by the Servicer under the Agreement and are not otherwise required to be delivered to the Trustee, including without limitation any notices to the Rating Agencies, as well as any notice of a Default or Event of Default under Section 8.01 of the Liquidity Agreement received by the Servicer.

(c) If, on any day on which the Daily Report is delivered to the Trustee the Servicer is unable to make the certification called for therein without exception thereto, then the Servicer shall also provide a copy of such Daily Report to each Class A Certificateholder by means of either (i) Federal Express or similar overnight courier service, (ii) certified mail, return receipt requested, or (iii) facsimile transmission (subject to confirmation of receipt by an authorized officer of such Class A Certificateholder), in any case dispatched by the Servicer on the same day as such Daily Report is delivered to the Trustee to the address of such Holder shown for it in the Certificate Register maintained by the Trustee. The Transferor also shall furnish to each Class A Certificateholder the statement contemplated by Section 2.06(f) of the Agreement within the time permitted under such Section by one of the means described in the preceding sentence. In the event that the Servicer does not provide the Daily Report to the Class A Certificateholders on a timely basis if required to do so by this Section 17(c), then for each day that elapses from the date on which such Daily Report was required to be provided to Class A Certificateholders until and including the date on which such Daily Report is in fact provided, the grace or cure period provided to the Transferor under subclause (C) of clause (i) or under clause (ii) of Section 9.01 (to the extent that a grace or cure period is applicable to the matters disclosed in such Daily Report) before a Prospective Event of Termination becomes an Event of Termination or the grace or cure period provided to the Servicer under clauses (b) and (c) of Section l0.01 (to the extent that a grace or cure period is applicable to the matters disclosed in such Daily Report) before a prospective Servicer Default becomes a Servicer Default shall, as applicable, be reduced by each day of such delay. In the event that the Liquidity Agreement is terminated or otherwise is no longer in effect, then the Transferor and the Servicer agree to modify the form of certification set forth in the Daily Report to include a certification that there is no Servicer Default or prospective Servicer Default (i.e., without regard to any grace period) in existence on such day.

(d) The Servicer agrees that as soon as available and, in any case, within 100 days after the end of each fiscal year, it will provide to each Holder of a Class A Certificate the audited consolidated financial statements of the Servicer and its Subsidiaries, consisting of the audited consolidated balance sheet of the Servicer and its Subsidiaries as of the end of such fiscal year and the audited consolidated statements of income, changes in stockholders' equity and cash flows of the Servicer and its Subsidiaries for such fiscal year, certified by the independent public accountants of the Servicer and its Subsidiaries.

(e) The Servicer agrees that as soon as available and, in any case, within 50 days after the end of each fiscal month in each fiscal quarter in each fiscal year (or, if the Servicer elects to provide quarterly information as hereinafter described, within 50 days after the end of each fiscal quarter), it will provide to each Holder of a Class A Certificate the consolidated and consolidating financial statements of the Servicer and its Subsidiaries, consisting of the unaudited consolidated and consolidating balance sheet of the Servicer and its Subsidiaries as of the end of such fiscal month (or, at the option of the Servicer and upon written notice to the Class A Certificateholders, as of the end of each fiscal quarter) and the unaudited consolidated and consolidating statements of income, changes in stockholders' equity and cash flows of the Servicer and its Subsidiaries for such fiscal month (or, at the option of the Servicer and upon written notice to the Class A Certificate-holders, as of the end of each such quarter) and for the fiscal year to date, setting forth in each case in comparative form, the figures for the corresponding periods of the preceding fiscal year, all in reasonable detail and certified by the Chief Financial Officer or the Treasurer of the Servicer as being a complete and correct copy of the Servicer's financial statements which have been prepared in accordance with generally accepted accounting principles consistently applied (except as otherwise disclosed therein and without the information normally provided in the accompanying footnotes), and which present fairly the financial position of the Servicer and its Subsidiaries and the results of operations and cash flows thereof subject,

in each case, to changes resulting from year-end audit adjustments; provided, however, that at such time and so long as the Servicer shall be required to file reports with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, the delivery of its Quarterly Report on Form 10-Q shall satisfy the requirements of this Section 17 with respect to consolidated financial statements.

(f) In the event of a change in servicing procedures which would allow the Servicer to withhold or withdraw Collections relating to Receivables other than Adjusted Eligible Receivables as contemplated by Section 4.09 of the Agreement, the Servicer agrees that, not less than five Business Days prior to giving effect to such changed procedures, the Servicer will give notice to each Holder of a Class A Certificate of the intended change in procedures together with an Officer's Certificate of the Servicer to the effect that such change will not have a material adverse effect on the rights of such Holders.

SECTION 18. Audit and Inspection Rights.

(a) The Transferor agrees that the audit rights of the Trustee provided for in Section 2.06(c) of the Agreement may be exercised by the Class A Certificateholders, and the Servicer agrees that the inspection rights of the Trustee provided for in Section 8.06 of the Agreement may be exercised by the Class A Certificateholders, subject in each case, however, to each of the following conditions:

(i) for purposes of this Section 18, references to the Class A Certificateholders shall mean, collectively, the Holders of Class A Certificates of Series 1993-1 together with the Holders of Class A Certificates of Series 1993-2, and a Holder of Class A Certificates of both Series will be treated as only one Class A Certificateholder;

(ii) such rights may not be exercised more than one time in any consecutive 12 month period by (A) each Class A Certificateholder that is an Initial Purchaser or (B) Class A Certificateholders, in the aggregate, that are not Initial Purchasers in accordance with clause (iv) below, provided, that the foregoing limitation shall not apply if and for so long as a prospective Servicer Default (i.e., a condition that with the giving of notice and/or the passage of time would constitute a Servicer Default), Servicer Default, Prospective Event of Termination or Event of Termination shall have occurred and shall be continuing under the Agreement;

(iii) for purposes of clause (ii) above, multiple Class A Certificateholders under common management shall be treated collectively as only one Class A Certificateholder;

(iv) for purposes of clause (ii) above, all transferees of any of The Prudential Insurance Company of America, Pacific Mutual Life Insurance, or The Great-West Life & Annuity Insurance Company (or any Class A Certificateholder managed by any thereof and treated collectively therewith in accordance with clause (iii) above) (collectively, the "Initial Purchasers"), and successive transferees thereafter, shall be treated collectively as one Class A Certificateholder and, in order to exercise the rights provided for in paragraph (a), must act collectively through an agent or representative appointed to act for all by a vote of not less than 65% of the Invested Amount of all Class A Certificateholders excluding the Initial Purchasers and must hold, in the aggregate, not less than 25% of the aggregate Invested Amount of the Class A Certificates of Series 1993-1 and Series 1993-2; and

(v) such rights may not be exercised (and the Transferor or the Servicer, as applicable, may deny access to the relevant information) by any Holder reasonably believed by the Transferor or the Servicer in good faith to be a competitor of the Servicer or any Subsidiary, or by any Holder which the Transferor or the Servicer reasonably believes in good faith might violate or otherwise undermine the confidentiality of the materials to be reviewed, provided, that the Transferor and the Servicer each hereby acknowledge that none of the Initial Purchasers will be subject to objection by the Transferor or the Servicer for reasons of competition or confidentiality.

SECTION 19. Removal of Designated Subsidiaries; Make-Whole Amount.

(a) Subject to the Agreement and the Purchase Agreement, Ingram shall have the right at any time co remove a Designated Subsidiary or the Ingram Book Company Division as an originator of Receivables (whether by reason of sale or other disposition of such Designated Subsidiary or division or otherwise), provided, that in the event that within twelve months following any such removal of a Designated Subsidiary or the Ingram Book Company Division as an originator of Receivables an Event of Termination other than an Event of Termination arising under clauses (i)(B) or (C), (ii), (iii), (v), (vi), (x), (xii), (xiii) or (xiv) of Section 9.01 (any such Event of Termination not so excluded, an "Applicable Event of Termination") shall occur and, as a result thereof, the Amortization Period Commencement Date with respect to the Series 1993-1 Certificates shall occur, then in addition to all other amounts required to be paid to the Class A Certificateholders under the Agreement, the Class A Certificateholders shall be entitled to receive an additional Make-Whole Amount (as hereinafter defined). The Make-Whole Amount shall be payable pursuant to Sections 4.04(h) and (p) and 4.06(c) of the Agreement as set forth in this Supplement. The Trustee agrees that if any of the events described in the provisions of Section 9.01 which are excluded as a basis for an Applicable Event of Termination as set forth above in the definition of such term shall occur within twelve months following the voluntary removal by Ingram of a Designated Subsidiary or the Ingram Book Company Division as an originator of Receivables, then unless the occurrence of such event shall automatically result in an Event of Termination in accordance with Section 9.01, the Trustee will not give notice or otherwise declare an Event of Termination with respect to this Series without obtaining the consent of

the Holders of not less than 65% of the Class A Invested Amount.

(b) The "Make-Whole Amount" shall mean, with respect to any Class A Certificate, an amount equal to the excess, if any, of the Discounted Value of such Class A Certificate over the sum of (i) the Invested Amount of such Class A Certificate on the day preceding the Call Date plus (ii) interest accrued thereon as of (including interest due on) the Call Date. The Make-Whole Amount shall be calculated on the Make-Whole Calculation Date (as defined below) and shall in no event be less than zero. From and after the Make-Whole Calculation Date, if either the Make-Whole Amount or the Other Series Make-Whole Amount is greater than zero no amounts held in either the Interest Funding Account or the Principal Funding Account shall be distributed to the Class B Certificateholders until the Make-Whole Amount and the Other Series Make Whole Amount have been fully paid to the Class A Certificateholders and the Class A Certificateholders of Series 1993-2, as applicable. For purposes of calculating the "Make-Whole Amount," the following definitions shall apply;

"Call Date" shall mean the first Payment Date following an Amortization Period Commencement Date which results from an Applicable Event of Termination and on which principal is payable on the Class A Certificates.

"Discounted Value" shall mean, with respect to any Class A Certificate, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Class A Certificate from their respective scheduled due dates (assuming that the scheduled due date of the principal amount of such Class A Certificate is the Scheduled Payment Date) to the Call Date, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Class A Certificates is payable) equal to the Reinvestment Yield.

"Reinvestment Yield" shall mean, with respect to any Class A Certificate, the Spread Amount, if any, plus the yield to maturity implied by (i) the yields reported, as of 10 a.m. (New York City time) on the Business Day next following the date on which the Servicer has actual knowledge of the declaration of an Applicable Event of Termination (the "Make-Whole Calculation Date"), on the display designated as "Page 678" on the Telerate Service (or such other display as may replace Page 678 on the Telerate Service) for actively traded U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Class A Certificate as of such Make-Whole Calculation Date, or if such yields shall not be reported as of such time or the yields reported as of such time shall not be ascertainable, (ii) the Treasury constant Maturity Series yields reported, for the latest day for which such yields shall have been so reported as of such Make-Whole Calculation Date, in Federal Reserve Statistical Release H.15(519) (or any comparable successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Class A Certificate, as of such Make-Whole Calculation Date. Such implied yield shall be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between yields reported for various maturities.

"Remaining Average Life" shall mean, with respect to any Class A Certificate, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) the Invested Amount for such Class A Certificate into (ii) the product obtaining by multiplying (a) the Invested Amount (but not interest thereon) by (b) the number of years (calculated to the nearest one-twelfth year) which will elapse between the Call Date and the Scheduled Payment Date.

"Remaining Scheduled Payments" shall mean, with respect to any Class A Certificate, all payments of principal and interest thereon that would be due on or after the Call Date if no payment of principal on such Class A Certificate were made prior to the Scheduled Payment Date.

"Scheduled Payment Date" shall mean, with respect to any Class A Certificate, the first Payment Date following the scheduled Amortization Period Commencement Date specified in Section 8 of this Supplement.

"Spread" shall mean (i) 0% if the related Applicable Termination Event for the Class A Certificates occurs within twelve months of the removal by Ingram (including sale to an Affiliate) of a Designated Subsidiary or the Ingram Book Company Division as an originator of Receivables that is not a Third Party Sale, (ii) 0% if the related Applicable Termination Event occurs within nine months of the removal by Ingram of a Designated Subsidiary or the Ingram Book Company Division as an originator of Receivables that is a Third Party Sale and (iii) .25% if the related Applicable Termination Event occurs between nine and twelve months of the removal by Ingram of a Designated Subsidiary or the Ingram Book Company Division as an originator of Receivables that is a Third Party Sale.

"Third Party Sale" shall mean a sale or other disposition of an interest in a Designated Subsidiary or the Ingram Book Company Division sufficient such that such Designated Subsidiary or the Ingram Book Company Division may no longer be consolidated with Ingram for accounting purposes in accordance with GAAP.

SECTION 20. Consents.

(a) The Agreement currently provides that certain actions under Sections 2.06(i), 2.06(q) and 3.03(k) thereof are subject to the consent of the Required Banks ("Bank Consent"). The Transferor and the Servicer covenant that they will use reasonable efforts to obtain, within 90 days from the date hereof, the consent of the Banks and all other consents that would be required under the Agreement, to an amendment to the Agreement (referred to herein as the "Amendment") that would substitute, in lieu of

all existing provisions relating to Bank Consent, a provision requiring consent ("Aggregate Consent") from the holders of not less than 65% of the Third-Party Interests in the Trust. The "Third Party Interests" in the Trust will be defined as the sum of (i) the aggregate Invested Amount of all Series of Investor Certificates (subject to paragraph (c) below) and (ii) the Applicable Liquidity Commitment of the Banks. The "Applicable Liquidity Commitment" of the Banks will mean the Liquidity Commitment then in effect, provided, that if at any time pursuant to the Liquidity Agreement the Commercial Paper Issuer is not permitted to effect an additional Credit Utilization either through issuance of additional Commercial Paper or incurrence of additional Revolving Loans, whether by reason of Section 2.01 or Section 6.02 of the Liquidity Agreement or otherwise, then for so long as such Credit Utilization remains unavailable to the CP Issuer, the Applicable Liquidity Commitment will mean the amount of the Liquidity Commitment corresponding to the Aggregate CP Matured Value of Outstanding Commercial Paper and the principal amount of outstanding Loans and LOC Disbursements under the LOC, if any, as to which the Banks remain at risk. In determining whether at least 65% of the holders of Third-Party Interests have consented, each Holder of an Investor Certificate may vote its Invested Amount relative to the aggregate Third-Party Interests, and each Bank may vote its allocable share of the Applicable Liquidity Commitment relative to the aggregate Third-Party Interests.

(b) Unless and until the Transferor and the Servicer are able to obtain the Amendment contemplated by paragraph (a) above, then in each case specified above in which an action under the Agreement requires Bank Consent, such action will also require the consent of Holders of not less than 51% of the aggregate Invested Amount of the combined Series 1993-1 Certificates and the Series 1993-2 Certificates (the "Series Consent"). By its acceptance thereof, each Holder of a Series 1993-1 Certificate agrees that if the Amendment is obtained, then upon the effective date thereof each provision in this Supplement providing for Series Consent shall be void and of no effect so long as such action is subject to Aggregate Consent under the terms of the Amendment.

(c) For purposes of all provisions requiring the vote of Holders of Investor Certificates (whether in respect of obtaining Series Consent or Aggregate Consent or with respect to any other provision of the Agreement or otherwise), for so long as Class B Certificates of this Series, Class B Certificates of Series 1993-2 or Investor Certificates of any other Series are held by the Transferor, Ingram or any Affiliate thereof, such Certificates shall not be voted in connection with any such vote, and the Invested Amount thereof shall be deducted from the aggregate Invested Amount of the Series 1993-1 Certificates, the Series 1993-2 Certificates and any other Series of Investor Certificates for purposes of calculating such aggregate Invested Amount entitled to vote.

SECTION 21. Cancellation of Certificates.

The Transferor agrees that if it proposes to acquire any Class A Certificate(s) from the Holder(s) thereof in accordance with Section 2.09 of the Agreement, it will make a pro rata offer to all Holders of Class A Certificates for the Invested Amount to be acquired.

SECTION 22. Successor Servicer; Servicing Fee.

(a) The Trustee and Ingram hereby confirm that the intention of Sections 3.02 and 10.02 of the Agreement with respect to the selection of a Successor Servicer and responsibility for payment of the Servicing Fee thereto, and the agreement of the Trustee and Ingram with respect to such matters, is as follows:

Qualifications. Section 10.02(a) provides that the Trustee shall as promptly as possible after the giving of a Termination Notice appoint an Eligible Servicer as a Successor Servicer. Accordingly, any such Successor Servicer initially must satisfy the definition of "Eligible Servicer". Section 10.02(a) further provides that such Successor Servicer must have obtained confirmation from each Rating Agency that the then outstanding rating on the Commercial Paper or any outstanding Series will not be reduced or withdrawn.

Selection. Section 10.02(c) contemplates that the Trustee would obtain bids from Eligible Servicers in connection with selecting a Successor Servicer. The Transferor and Ingram could participate in obtaining such bids. The Trustee could select among any Eligible Servicers providing bids not greater than the "Trust Servicing Fee" described below and, if only one Eligible Servicer submitted such a bid, the Trustee would select such Eligible Servicer. If no Eligible Servicer submits a bid for less than or equal to the Trust Servicing Fee, then the Trustee shall select the Eligible Servicer submitting the bid that least exceeds the Trust Servicing Fee. Notwithstanding the foregoing, Ingram could direct the Trustee to select an Eligible Servicer that would otherwise not be selected by reason of submitting a higher bid so long as Ingram agreed to be responsible for the Servicing Fee in excess of the Trust Servicing Fee.

Servicing Fee. Section 3.02 provides that unless otherwise agreed, the Servicing Fee with respect to a Successor Servicer shall be at least 0.25% per annum of the daily average Unpaid Balances of the Receivables (the "Trust Servicing Fee"). Pursuant to Section 10.02(c), the Trust Servicing Fee is the highest Servicing Fee that can be paid to a Successor Servicer from Imputed Yield Collection allocable to either the Variable Funding Certificate or any Series unless otherwise provided in the related Supplement or subsequently agreed to by all Certificateholders affected thereby. As described above, an Eligible Servicer could submit a bid for less than the

Trust Servicing Fee. If all bids from Eligible Servicers exceed the Trust Servicing Fee, then (i) a Successor Servicer shall be selected based on the bids received as described above, (ii) the consent of Ingram is not required in order to select a Successor Servicer charging a Servicing Fee in excess of the Trust Servicing Fee, and (iii) pursuant to Section 10.02(c) Ingram will be responsible for the payment to such Successor Servicer of the portion of its Servicing Fee in excess of the Trust Servicing Fee.

(b) The Trustee and Ingram agree that any Successor Servicer selected as described above must be ratified by Series Consent unless and until the Amendment providing for Aggregate Consent thereto is obtained, in which case such ratification shall be by Aggregate Consent.

SECTION 23. Opinions of Counsel.

The Transferor and Ingram agree that Opinions of Counsel required to be provided under Sections 6.03(b) and 13.01 of the Agreement shall be delivered by Bass, Berry & Sims or other nationally recognized outside counsel.

SECTION 24. Certificateholder Indemnity.

In any case in which security or indemnity is required to be provided by a Class A Certificateholder to either the Trustee, the Transfer Agent and Registrar, the Transferor or the Servicer (an "Indemnified Party") as a condition to such Indemnified Party taking, or not taking, any action, the unsecured indemnity of any such Class A Certificateholder that is an Initial Purchaser or is an institutional purchaser with an unsecured debt rating or claims paying ability of at least "BBB" or its equivalent shall be deemed to satisfy such requirement for security or indemnity.

SECTION 25. Certificateholder List.

Notwithstanding Section 6.07 of the Agreement, each Class A Certificateholder shall have access to the list of Holders of Series 1993-1 Certificates without regard to the requirement set forth in such Section that otherwise would require application by three or more Holders or by Holders representing not less than 5% of the Invested Amount of the Investor Certificates of any Series, but otherwise subject to the terms and conditions of Section 6.07.

SECTION 26. Late Charge.

In the event that payment of interest or principal with respect to the Class A Certificates is not made on the Payment Date (without regard to any grace period) when the funds required to make such payment are then on deposit in the Interest Funding Account or the Principal Funding Account, as applicable, then unless such failure to pay is attributable to the circumstances described in either clause (A) or clause (B) of subparagraph (xv) of Section 9.01, the Transferor shall pay to each Class A Certificateholder a late charge (the "Late Charge") calculated on a per diem basis on the amount of such late payment for each day following the Payment Date until and including the date on which paid, at a rate equal to the greater of (i) the Class A Certificate Rate plus 200 basis points per annum and (ii) Chemical's Prime Rate then in effect, such Late Charge to be payable pursuant to Sections 4.04(g) and (o) of the Agreement as set forth in this Supplement.

SECTION 27. Consent to Successor Trustee.

Ingram agrees that any Successor Trustee selected by Ingram in accordance with Section 11.07 of the Agreement must be ratified by Series Consent unless and until the Amendment providing for Aggregate Consent thereto is obtained, in which case such ratification shall be by Aggregate Consent.

SECTION 28. Final Payment; Surrender of Certificates.

Notwithstanding Section 12.03 of the Agreement, final payment on the Series 1993-1 Certificates shall be made to each Holder in the same manner in which prior payments are made to such Holder and without any need for such Holder to physically surrender its Class A Certificate(s) to the Trustee as provided in such Section; provided, that at such time as final payment, or provision for final payment, of the Series 1993-1 Certificates shall have been made, such Certificates shall be deemed cancelled and of no effect and shall not represent any further claim on or interest in the Trust Assets notwithstanding any failure on the part of the Holder thereof to physically surrender such Certificate(s). Each Class A Certificateholder shall be obligated, and by its acceptance of its Certificate(s) hereby agrees, to surrender its physical Certificates to the Trustee for cancellation within 30 days of its receipt of the final payment with respect thereto.

SECTION 29. Permitted Investments.

The Trustee, the Transferor and Ingram agree that investments described in clause (v) of the definition of Permitted Investments will not be utilized unless the specific proposed investment is consented to by Series Consent, provided, that such consent shall not be unreasonably withheld and that any request therefor not otherwise rejected within 30 days shall be deemed to have been granted.

SECTION 30. Servicing Transfer.

Section 10.01 of the Agreement provides that if compliance therewith shall require the Servicer to disclose to the Successor Servicer information of any kind which the Servicer reasonably deems to be

confidential, the Successor Servicer shall be required to enter into such customary licensing and confidentiality agreements as the Servicer shall deem necessary to protect its interest. Ingram and the Trustee hereby confirm that they have entered into a confidentiality agreement that would be applicable if the Trustee were to act as Successor Servicer and that would satisfy the confidential requirements of Ingram as contemplated by Section 10.01.

SECTION 31. Certain Technical Corrections.

For purposes of, and to the extent applicable to, the Series 1993-1 Certificates, the Transferor, the Servicer and the Trustee agree that the following provisions of the Agreement shall be modified and construed as indicated:

(i) The cross-reference to "Section 2.02(c)" in line 6 on page 11 of the Agreement shall be changed to "Section 2.01(d)";

(ii) In Sections 12.01 and 12.02 of the Agreement, interest shall be required to be deposited to but excluding the next Payment Date rather than through the last day of the month preceding the Payment Date;

(iii) The rating of "F-1" in clause (ii) of the definition of "Permitted Investments" shall be changed to "F-1+"; and

(iv) The Collection Account shall not be a subaccount or otherwise part of the Collateral Account.

SECTION 32. Term of Purchase Agreement.

In connection with the Amendment, the Transferor and Ingram covenant to use reasonable efforts to obtain any consents necessary to enable them to enter into an amendment to the Purchase Agreement extending the term thereof to at least December 15, 2001.

SECTION 33. Amendment to this Supplement.

The Transferor, the Servicer and the Trustee agree that to the extent the Amendment contemplated by Section 20 of this Supplement contains provisions addressing the matters covered by this Supplement, they will enter into an appropriate amendment to this Supplement (or, alternatively, will enter into an Amended and Restated Supplement) in order to make changes to this Supplement conforming to the provisions of the Amendment.

SECTION 34. Ratification of Agreement.

As supplemented by this supplement, the Agreement is in all respects ratified and confirmed and the Agreement as so supplemented by this Supplement shall be read, taken, and construed as one and the same instrument.

SECTION 35. The Trustee.

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplement or for or in respect of the Preliminary Statement contained herein, all of which recitals are made solely by the Transferor.

SECTION 36. Instructions in Writing.

All instructions given by the Servicer to the Trustee pursuant to this Supplement shall be in writing, and may be included in a Daily Report or Settlement Statement.

SECTION 37. Counterparts.

This Supplement may be executed in any number of counterparts, which may include facsimile counterparts, each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument.

SECTION 38. Governing Law.

THIS SUPPLEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

SECTION 39. Modifications to Remittance Procedures.

In lieu of the procedures for daily remittance of Collections provided for in the Pooling and Servicing Agreement, including Sections 4.04 and 4.06 thereof as set forth in this Supplement, the Servicer may propose and adopt procedures for the remittance of Collections on a less frequent basis, subject to obtaining the written consent of the Trustee and written confirmation from each Rating Agency that the adoption of such procedures will not result in the reduction or withdrawal of the then rating on the Class A Certificates and, if the then rating on the Class A Certificates is not "AAA" or its equivalent, that such procedures would not preclude the assignment of a "AAA" rating or its equivalent to the Class A Certificates.

IN WITNESS WHEREOF, the Transferor, the Servicer and the Trustee have caused this Supplement to be duly executed by their respective officers thereunto duly authorized as of the date first above written.

INGRAM FUNDING INC.,
as Transferor

By_____
Name:
Title: Assistant Treasurer

INGRAM INDUSTRIES INC.,
as Servicer

By_____
Name:
Title: Vice President & Treasurer

CHEMICAL BANK,
as Trustee

By_____
Name:
Title: Assistant Vice President

EXHIBIT 10.30

Schedule of Supplements to Ingram Funding Master Trust Pooling and Servicing Agreement

The documents described in this Schedule are materially identical to the Ingram Funding Master Trust Pooling and Servicing Agreement included as Exhibit 10.29 to this Registration Statement, except as noted below:

Series 1993-2 Supplement, dated as of July 23, 1993, for 6.61% Asset-Backed Certificates, Series 1993-2, Class A and 6..61% Asset-Backed Certificates, Series 1993-2, Class B. Amortization Period Commencement Date is June 1, 2000; Series Termination Date is December 15, 2001.

Series 1994-1 Supplement, dated as of March 24, 1994, for 6.57% Asset-Backed Certificates, Series 1994-1, Class A and 6.57% Asset-Backed Certificates, Series 1994-1, Class B. Amortization Period Commencement Date is February 1, 1999; Series Termination Date is August 15, 2000.

Series 1994-2 Supplement, dated as of March 24, 1994, for 6.91% Asset-Backed Certificates, Series 1994-2, Class A and 6.91% Asset-Backed Certificates, Series 1994-2, Class B. Amortization Period Commencement Date is February 1, 2001; Series Termination Date is August 15, 2002.

Series 1994-3 Supplement, dated as of March 24, 1994, for 7.17% Asset-Backed Certificates, Series 1994-3, Class A and 7.17% Asset-Backed Certificates, Series 1994-3, Class B. Amortization Period Commencement Date is February 1, 2004; Series Termination Date is August 15, 2005.

EXHIBIT 10.31

LETTER OF CREDIT
REIMBURSEMENT AGREEMENT

Dated as of February 10, 1993

Among
DISTRIBUTION FUNDING CORPORATION,
INGRAM INDUSTRIES INC.,
INGRAM FUNDING INC.,
CHEMICAL BANK, as Collateral Agent,
and
THE LOC ISSUERS NAMED HEREIN
with
THE BANK OF NOVA SCOTIA,
NATIONSBANK OF NORTH CAROLINA, N.A. and
THE INDUSTRIAL BANK OF JAPAN, LIMITED, ATLANTA AGENCY,
as Lead Managers

LETTER OF CREDIT REIMBURSEMENT AGREEMENT

LETTER OF CREDIT REIMBURSEMENT AGREEMENT dated as of February 10, 1993, among CHEMICAL BANK, NATIONSBANK OF NORTH CAROLINA, N.A. and THE BANK OF NOVA SCOTIA (each, an "LOC Issuer", and together, the "LOC Issuers"), DISTRIBUTION FUNDING CORPORATION (the "CP Issuer"), INGRAM FUNDING INC. ("Funding" or the "Transferor"), INGRAM INDUSTRIES INC. ("Ingram" or the "Servicer"), and CHEMICAL BANK, as collateral agent under the Pledge and Security Agreement referred to herein (the "Collateral Agent"), with The Bank of Nova Scotia, NationsBank of North Carolina, N.A. and the Industrial Bank of Japan, Limited, Atlanta Agency, as Lead Managers.

W I T N E S S E T H :

WHEREAS, the CP Issuer proposes to acquire from Funding the Variable Funding Certificate issued by Ingram Funding Master Trust pursuant to a Pooling and Servicing Agreement dated as of February 10, 1993 among Funding, as Transferor, Ingram, as Servicer, and Chemical Bank, as Trustee;

WHEREAS, the CP Issuer, Funding, Ingram, certain banks (the "Banks") and Chemical Bank, as agent for the Banks (in such capacity, the "Liquidity Agent"), have entered into a Liquidity Agreement, dated as of February 10, 1993, as amended from time to time (the "Liquidity Agreement"), pursuant to which the Banks have agreed to make Loans to the CP Issuer from time to time, and the CP Issuer will issue its Commercial Paper;

WHEREAS, the CP Issuer will utilize the proceeds of the Revolving Loans and the proceeds of the Commercial Paper to acquire the Initial Issuer Amount, and from time to time Issuer Additional Amounts, in respect of the Variable Funding Certificate and to pay certain fees and expenses of the CP Issuer;

WHEREAS, the Banks have agreed to make Refunding Loans to the CP Issuer for the sole purpose of enabling the CP Issuer to satisfy its obligations in respect of the Commercial Paper;

WHEREAS, as a condition to the CP Issuer's acquisition of the Variable Funding Certificate, Funding has made application to each LOC Issuer to issue an irrevocable letter of credit in favor of the Collateral Agent, which irrevocable letters of credit shall constitute credit support for the Variable Funding Certificate;

WHEREAS, Ingram has conveyed the Receivables supporting the Variable Funding Certificate to the Transferor (prior to the Transferor's conveyance of such Receivables to the Trust), will act as Servicer thereof, and is willing to make certain agreements for the benefit of the LOC Issuers as provided herein;

WHEREAS, the CP Issuer and the Collateral Agent and, solely for the limited purpose described therein, the Liquidity Agent, the LOC Issuers, the Depositary, the CP Dealer and the Manager are entering into a Pledge and Security Agreement, dated as of February 10, 1993, as amended from time to time (the "Security Agreement"); and

WHEREAS, subject to the terms and conditions set forth herein, each LOC Issuer is willing to issue its LOC to the Collateral Agent.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. As used in this Letter of Credit Reimbursement Agreement and unless the context requires a different meaning, capitalized terms used herein and not otherwise defined have the meanings assigned to such terms in Annex X hereto which is incorporated by reference herein and shall include in the singular number the plural and in the plural number the singular.

"Agreement" shall mean this Letter of Credit Reimbursement Agreement as

it may from time to time be amended, supplemented or otherwise modified in accordance with the terms hereof.

ARTICLE II

ISSUANCE OF THE LOCs; REIMBURSEMENT OBLIGATION

Section 2.01. Issuance of LOCs; Substitute LOCs; Extensions of the LOCs. (a) Each LOC Issuer hereby severally agrees, on the terms and subject to the conditions hereinafter set forth, to issue to the Collateral Agent for the benefit of the Holder of the Variable Funding Certificate, the holders of Commercial Paper and the Liquidity Banks, as their interests may appear, on the Initial Closing Date its irrevocable letter of credit (including any letter of credit issued by such LOC Issuer in replacement thereof and as such letter of credit may be supplemented, amended, or modified from time to time, the "LOC" and together, the "LOCs") in the form of Exhibit A hereto, completed in accordance with such form and the terms of this Section 2.01. Each LOC shall be dated its date of issuance and shall be issued by the related LOC Issuer in the initial stated amount (such respective amounts, each an "LOC Commitment Amount") equal to the dollar equivalent of its Percentage (set forth on Schedule 1 hereto) of $15,000,000 on the date of issuance for a term expiring on the LOC Expiration Date, subject to extension as set forth in Section 2.01(c) and early termination as set forth in Sections 2.03(d) and 2.08.

(b) Promptly following the appointment and qualification of any successor to the Collateral Agent and upon compliance with the terms of the LOC regarding transfers, each LOC Issuer shall deliver to such successor Collateral Agent, in exchange for the outstanding LOC of such LOC Issuer held by the predecessor Collateral Agent, a substitute irrevocable letter of credit substantially in the form of Exhibit A hereto, having terms identical to the then outstanding LOC of such LOC Issuer but in favor of such successor Collateral Agent.

(c) Subject to the other provisions of this Agreement permitting or requiring earlier termination hereof, an LOC Issuer's Percentage of the LOC Commitment shall terminate on the LOC Expiration Date then in effect with respect to such LOC Issuer unless such LOC Issuer elects in its sole discretion to extend its Percentage of the LOC Commitment for an additional two-year period following such LOC Expiration Date (each such period, an "LOC Extension Period"). On any Business Day occurring not earlier than July 31st nor later than August 30 of the year immediately preceding the year in which the LOC Expiration Date occurs, the CP Issuer may, by written notice to each LOC Issuer, request such LOC Issuer to extend its Percentage of the LOC Commitment for an additional LOC Extension Period. Not later than October 31 of the year immediately preceding the year in which the Expiration Date occurs, each Bank shall respond to the request to extend its Percentage of the LOC Commitment by executing and delivering to the CP Issuer a written notice indicating whether or not such LOC Issuer will extend its Percentage of the LOC Commitment for such additional LOC Extension Period, and such notice, once given, shall be irrevocable. If any LOC Issuer does not give such notice by the time specified in the preceding sentence, its Percentage of the LOC Commitment shall be deemed to have been so extended. If any LOC Issuer elects, in its sole discretion, to extend, or has been deemed to have extended, the LOC Expiration Date with respect to its Percentage of the LOC Commitment, such LOC Expiration Date shall be extended for two additional years, and such LOC Issuer shall, prior to the existing Expiration Date, either (i) issue to the Collateral Agent in exchange for its then outstanding LOC a substitute letter of credit having terms identical to those of its then outstanding LOC but expiring on the LOC Expiration Date, as so extended, or (ii) deliver to the Collateral Agent an amendment to its then outstanding LOC to reflect such extension of the LOC Expiration Date.

(d) Not later than November 15 of the year immediately preceding the year in which the expiration Date occurs, the CP Issuer shall notify all the LOC Issuers as to those LOC Issuers that have elected to extend or have been deemed to have extended and those LOC Issuers that have elected not to extend. If any LOC Issuer notifies the CP Issuer that it does not consent to the extension of the LOC Expiration Date pursuant to Section 2.01(c), the CP Issuer may, upon receipt of such notice, request another LOC Issuer or obtain a successor letter of credit bank or letter of credit banks to issue one of more replacement letters of credit and to assume such non-extending LOC Issuer's Percentage of the LOC Commitment under this Agreement; provided, that the addition of such successor letter of credit bank and the withdrawal of such non-extending LOC Issuer will not result in the reduction or withdrawal of the then current rating of the Commercial Paper as confirmed in writing by each Rating Agency. Upon the effectiveness of such assumption, the LOC Expiration Date then in effect shall be extended for an LOC Extension Period.

(e) If any LOC Issuer does not extend its Percentage of the LOC Commitment after the LOC Expiration Date then in effect pursuant to Section 2.01(c) hereof (such LOC Issuer, an "Exiting LOC Issuer"), any outstanding LOC Disbursements made by such Exiting LOC Issuer shall continue to be required to be paid from the reimbursement to the Holder of the Variable Funding Certificate of Issuer Charge-Offs pursuant to Sections 4.05(d) and (g) of the Pooling and Servicing Agreement as set forth in the Variable Funding Supplement in accordance with this Agreement and the LOC of such Exiting LOC Issuer. Interest on LOC Disbursements made by an Exiting LOC Issuer shall continue to accrue and be required to be paid in accordance with this Agreement and the LOC issued by such Exiting LOC Issuer. After all payments of principal and interest have been paid in respect of such Exiting LOC Issuer's LOC Disbursements, the CP Issuer shall have no further obligation to such LOC Issuer (except with respect to obligations expressly stated herein to survive

payment of the LOC Disbursements).

(f) Any Exiting LOC Issuer shall be deemed to be an LOC Issuer for purposes of Section 5.06 hereof for determination in matters affecting such Exiting LOC Issuer until all LOC Disbursements made by, and other amounts owing hereunder to, such Exiting LOC Issuer have been paid in full.

Section 2.02. Charge-off Drawings. (a) At or before 11:00 a.m. (New York City time) on the day on which a drawing is to be made under the LOCs, pursuant to Section 8(f) of the Security Agreement, the Collateral Agent shall make a drawing (a "Charge-Off Drawing") under each LOC by delivering to each LOC Issuer a duly completed drawing certificate (a "Drawing Certificate") in the form attached as Annex A to the related LOC in the amount of such LOC Issuer's Percentage of the aggregate amount identified, and as otherwise instructed in the Servicer's Daily Report delivered on such day with respect to the Variable Funding Certificate. An LOC may be drawn upon, and the Servicer shall instruct the Collateral Agent in writing to draw upon the LOC, only to the extent that Issuer Charge-Offs have been allocated to the Variable Funding Certificate pursuant to Section 4.05(c) of the Pooling and Servicing Agreement as set forth in the Variable Funding Supplement, resulting in a write-down of the Variable Funding Certificate, in an amount equal to the amount of such write-down; provided, that the LOCs shall only be drawn upon for such purpose on a day on which Commercial Paper matures or on a day on which principal payments in respect of Loans are either due or permitted to be made.

(b) Each LOC Issuer shall, promptly following its receipt thereof, examine all documents purporting to represent a demand by the Collateral Agent for an LOC Disbursement to ascertain that the same appear on their face to be in conformity with the terms and conditions of its LOC. If, after examination, an LOC Issuer shall have determined that a demand for an LOC Disbursement does not conform to the terms and conditions of its LOC, then such LOC Issuer shall, without delay, give telephonic notice (promptly confirmed in writing) to the CP Issuer and the Collateral Agent to the effect that the demand was not in accordance with the terms and conditions of its LOC, stating the reasons therefor and that the relevant documents are being held at the disposal of the Collateral Agent or are being returned to the Collateral Agent, as such LOC Issuer may elect. The Collateral Agent shall attempt to correct any such non-conforming demand for payment under such LOC on or before the LOC Expiration Date.

(c) It is understood and agreed that in making any payment under its LOC, each LOC Issuer's exclusive reliance on the documents presented or otherwise delivered to such LOC Issuer under its LOC as to any and all matters set forth therein, including, without limitation, reliance on the amount of any draft presented under its LOC, whether or not the amount due to the beneficiary equals the amount of such draft and whether or not any document presented pursuant to its LOC proves to be insufficient in any respect, if such document on its face appears to be in order, and whether or not any other statement or any other document presented pursuant to its LOC proves to be forged or invalid or any statement therein proves to be inaccurate or untrue in any respect whatsoever, shall not be deemed wilful misconduct or gross negligence of such LOC Issuer.

(d) Upon receipt of a duly completed Drawing Certificate by 11:00 a.m. (New York City time) on any Business Day, each LOC Issuer shall make payment to the Collateral Agent by 3:00 p.m. (New York City time) on such Business Day in an amount equal to the lesser of (i) the amount so demanded by the Collateral Agent, which shall be such LOC Issuer's Percentage of the amount specified by the Servicer in the Daily Report and (ii) such LOC Issuer's Percentage of the Available LOC Amount.

Section 2.03. Downgrading of LOC Issuer; Special Drawings. (a) If a Responsible Officer of the Collateral Agent obtains knowledge, from the Servicer or the Depositary or otherwise, that the short-term debt rating of any LOC Issuer by S&P or Fitch has been reduced, below A-1 or F-1, respectively, suspended or withdrawn (a "Downgraded LOC Issuer"), the Collateral Agent shall promptly make a drawing of the full amount of the Available LOC Amount of the Downgraded LOC Issuer (a "Special Drawing") under the LOC of such Downgraded LOC Issuer, establish a non-interest bearing trust account with the trust department of the Collateral Agent, such account to be in the name of the Collateral Agent for the purpose of holding the proceeds of such Special Drawing (the "LOC Escrow Account"), and deposit the funds of such Special Drawing into such LOC Escrow Account, unless the Rating Agencies shall previously have confirmed in writing to the Collateral Agent that the then current rating of the Commercial Paper will not be reduced, suspended or withdrawn by such Rating Agencies because of such reduction, suspension or withdrawal of the short-term debt rating of such Downgraded LOC Issuer; provided, however, that if necessary to prevent the imposition of increased regulatory capital requirements upon such Downgraded LOC Issuer as a result of such Special Drawing, then upon request of such Downgraded LOC Issuer the related LOC Escrow Account may be established and maintained by the Collateral Agent in the name of the Collateral Agent with the trust department of such Downgraded LOC Issuer. If, after a Special Drawing has been made with respect to a Downgraded LOC Issuer, the debt rating of such Downgraded LOC Issuer is reinstated and a replacement letter of credit or other arrangement has not been obtained, the Collateral Agent shall withdraw from the LOC Escrow Account funds in an amount equal to the amount of such Special Drawing, and pay such amount to the related LOC Issuer upon written confirmation of the reinstatement of such LOC Issuer's LOC, or delivery of a new LOC, in such amount.

(b) The funds deposited into the LOC Escrow Account shall not be deemed to be an LOC Disbursement, and interest shall not accrue and shall not be payable on such funds, unless such funds are drawn upon by the Collateral Agent in accordance with this subsection (b). The LOC Escrow Account shall serve as a source of funds in lieu of the Percentage of the

LOC Commitment of the Downgraded LOC Issuer and may be drawn upon in accordance with the terms and provisions hereof and for the same purposes as an LOC may be drawn upon as provided in Section 2.02. Any disbursements made from the funds of the LOC Escrow Account shall be treated as an LOC Disbursement, accrue interest and be payable as provided herein, with any repayment of such LOC Disbursement to be redeposited in the LOC Escrow Account.

(c) Funds in an LOC Escrow Account may be invested by the Collateral Agent in specified Permitted Investments with maturities not later than the next Business Day; provided that Collateral Agent shall only make such Permitted Investments upon receipt of express written directions with respect thereto from such Downgraded LOC Issuer. Any earnings (net of losses and investment expenses) on such invested funds shall inure to the benefit of the Downgraded LOC Issuer.

(d) In the event one or more banks or other financial institutions agree to provide a commitment or other arrangement with a stated amount equal to the LOC Commitment of the Downgraded LOC Issuer which each Rating Agency confirms in writing to the Collateral Agent would not cause a reduction or withdrawal of the then current rating of the Commercial Paper, this Agreement shall be so amended and the old LOC shall be surrendered and cancelled and a replacement LOC which includes the new LOC Issuer shall be issued; provided, however, that any reimbursement obligation pursuant to Section 2.04 hereof shall survive such termination. In such event, the Collateral Agent shall withdraw funds on deposit in the LOC Escrow Account and pay such amount to such former LOC Issuer. The Downgraded LOC Issuer shall be entitled to the LOC Fee (as defined below) with respect to the funds in the LOC Escrow Account.

Section 2.04. Reimbursement. (a) In order to provide for reimbursement to the LOC Issuers for any disbursement made under the LOCs or any funds otherwise made available by the LOC Issuers pursuant to the LOCs (each an "LOC Disbursement"), including interest thereon and the payment of certain other amounts due hereunder, Ingram agrees to perform on a timely basis each of its obligations set forth in the Pooling and Servicing Agreement in accordance with its terms. The CP Issuer acknowledges and agrees that the LOC Issuers shall be reimbursed for LOC Disbursements, the LOC Fees and all other amounts due to the LOC Issuers hereunder in accordance with the terms hereof. Each LOC Disbursement made by an LOC Issuer not repaid in full prior to 5:00 p.m. (New York City time), on the date when made, any LOC Fee not paid on the due date thereof, and any other amount payable to an LOC Issuer under this Agreement not paid by the 30th day after the date notice thereof is given by such LOC Issuer to the Collateral Agent, shall bear interest from and including the date of the making of such LOC Disbursement, the date such LOC Fee was due or the date of such notice, as applicable, until paid in full (but excluding the date of repayment) on the unpaid amount thereof from time to time outstanding at a rate per annum (computed on the basis of the actual days elapsed and a year of 365/66 days) equal to the Base Rate plus the Applicable Margin or such other rate as may subsequently be agreed to by the CP Issuer and the respective LOC Issuer. The Collateral Agent, on behalf of the CP Issuer, shall pay the LOC Issuers such amounts as may be available for repayment in accordance with Sections 8(a)(iii) and 8(b)(iv) of the Security Agreement.

(b) Unless otherwise specified herein, all payments to be made hereunder (including amounts owing with respect to the fees pursuant to Section 2.06 hereof) shall be made to each LOC Issuer at its address specified in Section 5.04 hereof (or at such other address as an LOC Issuer may have specified for such purpose in a written notice to the Collateral Agent and the CP Issuer) in immediately available funds. All payments hereunder shall be made not later than 5:00 p.m. (New York City time) on the date due, and funds received after that hour shall be deemed to have been received by such LOC Issuer on the next succeeding Business Day.

(c) Except as provided in Section 2.04(d), upon reimbursement of an LOC Issuer for any LOC Disbursement pursuant to the provisions of this Agreement, the amount so reimbursed shall be reinstated immediately in such LOC Issuer's Percentage of the Available LOC Amount.

(d) Chemical Bank, as an LOC Issuer, shall open and maintain a separate account (the "LOC Payment Account") for the sole purposes of receiving and accounting for disbursements, reimbursements and other payments from the Collateral Agent or the CP Issuer for the account of Chemical Bank. All payments to be made hereunder to Chemical Bank as an LOC Issuer (including amounts owing with respect to the fees pursuant to Section 2.06 hereof) shall be deposited into the LOC Payment Account not later than 3:00 P.M. (New York City time) on the date due, and funds received after that hour shall be deemed to have been received by Chemical Bank on the next succeeding Business Day; provided, however, that on any day on which funds intended for deposit into the LOC Payment Account have been received by the Collateral Agent under the Security Agreement prior to 3:00 p.m. such amounts shall be deemed to have been received in the LOC Payment Account prior to 3:00 p.m. on such day, whether or not the Collateral Agent has actually transferred funds thereto prior to 3.00 p.m. LOC Disbursements shall stop accruing interest on the date on which amounts representing repayment thereof are received (or, in accordance with the preceding sentence, deemed to be received) in the LOC Payment Account to the extent of the funds so received. Chemical Bank shall disburse and account for such funds only as provided herein. Chemical Bank shall apply all funds in the LOC Payment Account as a reimbursement on Wednesday of each week, except that when the balance of the funds in the LOC Payment Account exceeds $100,000, the LOC Agent shall apply such funds as a reimbursement immediately. The amount available under the LOC of Chemical Bank shall be reinstated in accordance with the foregoing sentence; provided, however, that if a Drawing Certificate is delivered for a Charge-Off Drawing in an amount which is in excess of Chemical Bank's LOC Issuer's Percentage of

the Available LOC Amount of Chemical Bank on such day as shown by the records of Chemical Bank, Chemical Bank shall immediately apply any available funds in the LOC Payment Account on such day as a reimbursement of an LOC Disbursement to the extent of such excess. Upon making an LOC Disbursement, Chemical Bank shall debit the LOC Payment Account in the amount of such LOC Disbursement. If the funds in the LOC Payment Account are insufficient to cover such debit, an overdraft in such amount shall be incurred and shall bear interest at the same rate as an LOC Disbursement.

Section 2.05. No Recourse; Obligations Absolute. Each LOC Issuer agrees that with respect to the CP Issuer's reimbursement obligation with respect to any LOC Disbursement, it shall have no right of set-off or banker's lien against the CP Issuer, the Collateral Agent or any Affiliate, officer or director of any of them. Subject to and without limiting the foregoing provisions of this Section 2.05, the obligations of the CP Issuer under Section 2.04 hereof and the right of each LOC Issuer to be paid in full its LOC Disbursements, interest thereon and all other amounts payable to each LOC Issuer under this Agreement shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement, irrespective of any of the following circumstances (except as expressly provided to the contrary below):

(a) any lack of validity or enforceability of any LOC, this Agreement, the Depositary Agreement, the Liquidity Agreement or the Security Agreement;

(b) any amendment or waiver of, or consent to or departure from, any LOC, this Agreement, the Depositary Agreement, the Liquidity Agreement or the Security Agreement;

(c) the existence of any claim, set-off, defense or other rights which the Servicer, the Transferor or the CP Issuer may have at any time against the Collateral Agent, any beneficiary or any transferee of any LOC (or any Persons for whom the Collateral Agent, any such beneficiary or any such transferee may be acting), any LOC Issuer or any other Person, whether in connection with any LOC, this Agreement, the Depositary Agreement, the Liquidity Agreement, the Security Agreement or any unrelated transactions;

(d) any statement or any document presented under any LOC proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever, provided, that such LOC Issuer's reliance on such statement or documents shall not have constituted gross negligence or willful misconduct of such LOC Issuer;

(e) payment by any LOC Issuer under its LOC against presentation of a Drawing Certificate or other draft or document which does not comply with the terms of such LOC or this Agreement; provided, that such payment shall not have constituted gross negligence or willful misconduct of the related LOC Issuer;

(f) the bankruptcy or insolvency of the Transferor, the CP Issuer or the Servicer; and

(g) any other circumstances or happening whatsoever, whether or not similar to any of the foregoing; provided, that the same shall not have constituted gross negligence or willful misconduct of the related LOC Issuer.

Section 2.06. Facility Fees. (a) The CP Issuer hereby agrees to pay to each LOC Issuer on the Initial Closing Date, a one-time arrangement fee upon the issuance of its LOC in the amount of 0.10% multiplied by such LOC Issuer's Percentage of the LOC Commitment.

(b) The CP Issuer hereby agrees to pay to each LOC Issuer a letter of credit fee (the "LOC Fee") for the period from and including the Initial Closing Date to and including the LOC Expiration Date, computed at a rate equal to 1.00% per annum, calculated on such LOC Issuer's Percentage of the LOC Commitment less the weighted average LOC Disbursements outstanding during the prior quarter. The LOC Fee shall be payable in arrears commencing on the Settlement Date following the third month anniversary of the Initial Closing Date, quarterly thereafter, and on the date on which the LOC Commitment shall be terminated as provided herein. The LOC Fee shall be calculated on the basis of actual days elapsed and a year of 365/66 days.

(c) The CP Issuer hereby agrees to pay to each LOC Issuer a transfer fee in the amount of $250 as a condition to the transfer of the related LOC to a different beneficiary.

Section 2.07. Liability of LOC Issuers. Neither any LOC Issuer nor any of its officers or directors shall be liable or responsible for: (a) the use which may be made of its LOC or any acts or omissions of the Collateral Agent or any transferee in connection therewith; (b) the validity, sufficiency or genuineness of documents (other than its LOC), or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; (c) payment by such LOC Issuer against presentation of documents which do not comply with the terms of its LOC, including failure of any documents to bear any reference or adequate reference to such LOC; (d) the deferral of honoring a drawing because of conflicting instructions pursuant to Section 2.11 hereof; or (e) any other circumstances whatsoever in making or failing to make payment under such LOC; provided, that the CP Issuer and the Collateral Agent shall have a claim against such LOC Issuer, and such LOC Issuer shall be liable to the CP Issuer and the Collateral Agent, to the extent of any direct, as opposed to consequential, damages suffered by the CP Issuer or the Collateral Agent that were caused by (i) such LOC Issuer's willful misconduct or gross negligence in determining whether documents

presented under its LOC comply with the terms of such LOC or (ii) such LOC Issuer's gross negligence in failing to make or willful failure to make lawful payment under its LOC after the timely presentation to such LOC Issuer by the Collateral Agent of a Drawing Certificate strictly complying with the terms and conditions of its LOC. In furtherance and not in limitation of the foregoing, an LOC Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation; provided, that an LOC Issuer shall not be excused from its willful misconduct or gross negligence in determining whether documents presented under its LOC comply with the terms of such LOC.

Section 2.08. Surrender of LOCs. With respect to any LOC Issuer, provided that such LOC Issuer is not then in default under its LOC by reason of its having wrongfully failed to honor a demand for payment previously made by the Collateral Agent under such LOC, the Collateral Agent shall surrender such LOC to such LOC Issuer, promptly following the earlier of (i) the LOC Expiration Date of such LOC Issuer and (ii) the termination of the Trust.

Section 2.09. Increased Costs and Taxes.

(a) Increased Costs. Subject to Section 2.12, if after the date hereof, the adoption of any law or guideline or any amendment or change in the administration, interpretation or application of any existing or future law or guideline by any Official Body charged with the administration, interpretation or application thereof, or the compliance with any request or directive of any Official Body (whether or not having the force of law):

(i) shall subject any LOC Issuer to any tax, duty or other charge with respect to this Agreement or any payments made hereunder, or shall change the basis of taxation of payments to any LOC Issuer of any amounts due under this Agreement (except for changes in the rate of tax on the overall net income of such LOC Issuer imposed by any jurisdiction having authority over such LOC Issuer; or

(ii) shall impose, modify or deem applicable any reserve, special deposit or similar requirement (including, without limitation, any such requirement imposed by the Board) against assets of, deposits with or for the account of, or credit extended by, any LOC Issuer or shall impose on any LOC Issuer or on the United States market for certificates of deposit or the London interbank market any other condition affecting this Agreement; or

(iii) imposes upon any LOC Issuer any other condition or expense (including, without limitation, (i) loss of margin and (ii) reasonable attorneys' fees and expenses, and expenses of litigation or preparation therefor in contesting any of the foregoing) with respect to this Agreement or any payments made hereunder,

and the result of any of the foregoing is to increase the cost to any LOC Issuer of maintaining its LOC, or to reduce the amount of any sum received or receivable by any LOC Issuer under this Agreement, by an amount deemed by such LOC Issuer to be material, then, the CP Issuer shall pay such LOC Issuer such additional amount or amounts as will compensate such LOC Issuer for such increased cost or reduction. If such LOC Issuer becomes entitled to claim any additional amounts pursuant to this Section 2.09, it shall promptly notify the CP Issuer of the event by reason of which it has become so entitled. A certificate as to any additional amounts payable pursuant to this Section submitted by an officer of such LOC Issuer to the CP Issuer shall be rebuttable presumptive evidence of the amount due. This covenant shall survive the termination of this Agreement and the payment of all amounts payable hereunder.

(b) If any LOC Issuer shall have determined that, after the date hereof, the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any Official Body, or any request or directive regarding capital adequacy (whether or not having the force of law) of any such Official Body, has or would have the effect of reducing the rate of return on capital of such LOC Issuer (or its parent), as a consequence of its LOC or such LOC Issuer's obligations hereunder, to a level below that which such LOC Issuer (or its parent) could have achieved but for such adoption, change, request or directive (taking into consideration its policies with respect to capital adequacy) by an amount deemed by such LOC Issuer to be material, then from time to time the CP Issuer shall, or shall instruct the Collateral Agent, for the account of the CP Issuer, to pay such LOC Issuer such additional amount or amounts as will compensate such LOC Issuer (or its parent) for such reduction.

(c) Each LOC Issuer shall promptly notify the Collateral Agent and the CP Issuer of any event of which it has knowledge, occurring after the date hereof, which will entitle such LOC Issuer to compensation pursuant to this Section. A certificate of any LOC Issuer claiming compensation under this Section and setting forth the additional amount or amounts to be paid to it hereunder shall be rebuttable presumptive evidence of the amount due. In determining any such amount, each LOC Issuer may use any reasonable averaging and attributing methods.

(d) Taxes. (A) All payments made under this Agreement shall be made free and clear of, and without reduction 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 excluding, in the case of any LOC Issuer, net income and franchise taxes based upon net income imposed on any LOC Issuer by the jurisdiction under the laws of which it is organized or in which is located any office from or at which such LOC Issuer is honoring any Drawing Certificate or any political subdivision or taxing authority thereof or therein (all such non-excluded

taxes, levies, imposts, duties, charges, fees, deductions and withholdings being hereinafter called "Taxes"). If any Taxes are required to be withheld from any amounts payable to any LOC Issuer hereunder, the amounts so payable to such LOC Issuer shall be increased to the extent necessary to yield to such LOC Issuer (after payment of all Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement. Whenever any Taxes are payable by the CP Issuer, as promptly as possible thereafter the CP Issuer shall send to the applicable LOC Issuer a certified copy of the original official receipt, if any, received by the CP Issuer showing payment thereof.

(B) If the CP Issuer fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to an LOC Issuer the required receipts or other required documentary evidence, the CP Issuer shall indemnify such LOC Issuer for any incremental taxes, interest or penalties that may become payable by such LOC Issuer as a result of any such failure. The agreements in this subsection shall survive the termination of this Agreement and the payment of all amounts payable hereunder.

Section 2.10. Events of Default. Upon the occurrence of any of the following events (each an "Event of Default"), and so long as such Event of Default shall continue unremedied:

(a) Payments. The LOC Issuers are not paid when and as due (whether on the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise) (i) any amount payable with respect to any LOC Disbursements within five Business Days after the due date thereof, (ii) interest payable on any LOC Disbursements or the LOC Fee within five Business Days after the due date thereof, or (iii) any other payment under this Agreement to be paid within five Business Days following the due date thereof; provided, that amounts specified in item (iii) shall not be deemed due until the 30th day after notice thereof has been given to the CP Issuer; or

(b) Representations. Any representation or warranty or statement made by the Servicer in this Agreement or in the Pooling and Servicing Agreement or made by the CP Issuer in this Agreement or in the other Facilities Documents shall prove to have been incorrect in any material respect when made, which continues to be incorrect in any material respect for a period of 60 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the CP Issuer, as the case may be, by an LOC Issuer; or

(c) Covenants. Failure by the CP Issuer to observe or perform in any material respect any covenant or agreement contained herein or in the other Facilities Documents and not constituting an Event of Default under any other clause of this Section 2.10 which continues unremedied for a period of 30 days after the earlier of actual knowledge or the date on which written notice of such failure shall have been given; or

(d) Voluntary Bankruptcy Proceedings of the Servicer or the CP Issuer. Either (i) an order for relief under Title 11 of the United States Code shall be entered in a case in which the Servicer or the CP Issuer is a debtor, or the Servicer or the CP Issuer shall become insolvent or generally fail to pay, or admit in writing its inability to pay, its debts as they become due, or shall voluntarily commence any proceeding or file any petition under any bankruptcy, insolvency or similar law or seeking dissolution or reorganization or the appointment of a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property, assets or business or to effect a plan or other arrangement with its creditors, or shall file any answer admitting the jurisdiction of the court and the material allegations of an involuntary petition filed against it in any bankruptcy, insolvency or similar proceeding, or shall be adjudicated bankrupt, or shall make a general assignment for the benefit of creditors, or shall consent to, or acquiesce in the appointment of, a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property, assets or business or (ii) action shall be taken by the Servicer or the CP Issuer for the purpose of effectuating any of the foregoing; or

(e) Involuntary Bankruptcy Proceedings against the Servicer or the CP Issuer. Involuntary proceedings or an involuntary petition shall be commenced or filed against the Servicer or the CP Issuer under any bankruptcy, insolvency or similar law or seeking the dissolution or reorganization of the Servicer or the CP Issuer or the appointment of a receiver, trustee, custodian or liquidator for the Servicer or the CP Issuer or of a substantial part of the property, assets or business of the Servicer, or any writ, order, judgment, warrant of attachment, execution or similar process shall be issued or levied against a substantial part of the property, assets or business of the Servicer or the CP Issuer, and such proceeding or petition shall not be dismissed, or such writ, order, judgment, warrant of attachment, execution or similar process shall not be released, vacated or fully bonded, within 60 days after commencement, filing or levy, as the case may be;

(f) No Valid Agreement. This Agreement or any other Facilities Document (or any provision thereof material to the holding of the Variable Funding Certificate) shall, at any time after its execution and delivery, for any reason cease to be in full force and effect (unless such occurrence is in accordance with its terms) or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by Ingram, the Collateral Agent, or the CP Issuer, as the case may be, or the Servicer, the Collateral Agent, or the CP Issuer shall deny that it has any or further liability or obligation thereunder;

(g) Security. The Security Interest purported to be created by the Security Agreement shall fail to be a valid and enforceable perfected first priority security interest in favor of the Collateral Agent in any of the Collateral;

(h) Servicer Default. A Servicer Default shall have occurred and be continuing or the Servicer shall be changed from Ingram (or any successor Servicer to which each LOC Issuer has consented) without the consent of each LOC Issuer; or

(i) Matured Default. A Matured Default under the Liquidity Agreement shall have occurred;

then, and in any such event, the Required LOC Issuers may (i) except with respect to paragraphs (d) and (e) which shall be automatic and require no notice by the Required LOC Issuers, give notice to the CP Issuer, the Transferor, the Collateral Agent, the CP Dealer and the Servicer of the occurrence of the Event of Default, and (ii) pursue, to the extent permitted by applicable law, any other remedy available at law or in equity, including, without limitation, the remedy of specific performance of any covenant or agreement herein contained (any such Event of Default, followed (except in the case of paragraphs (d) and (e)) by the notice specified in item (i) above, a "Matured Default").

Section 2.11. Conflicting Instructions from the Collateral Agent. Notwithstanding any other provision of this Agreement, in the event an LOC Issuer (i) receives a demand for a drawing to be made under the LOC and (ii) receives any communication purportedly from the Collateral Agent or any of its officers, employees or agents, which communication indicates that such demand is not in order, such LOC Issuer may defer honoring such demand until it receives further written instructions from the Collateral Agent as to the disposition of such demand; provided that such LOC Issuer shall not be liable for such deferral in accordance with Section 2.07 hereof. Such LOC Issuer shall promptly notify the Collateral Agent of any such deferral.

Section 2.12. No Recourse. The obligations of the CP Issuer under this Agreement and the LOCs are solely the corporate obligations of the CP Issuer. No recourse shall be had for the payment of any amount owing in respect of any LOC Disbursements or for the payment of any fee hereunder or any other obligation or claim arising out of or based upon this Agreement and the LOCs against any stockholder, employee, officer, director or incorporator of the CP Issuer. Each of the LOC Issuers and the Collateral Agent also agrees that the obligations of the CP Issuer to the LOC Issuers and the Collateral Agent hereunder, including without limitation all obligations of the CP Issuer in respect of fees and indemnity pursuant to Sections 2.09, 5.02 and 5.03, shall be payable solely from the Collateral in accordance with the Security Agreement, that the LOC Issuers and the Collateral Agent shall not look to any other property or assets of the CP Issuer in respect of the obligations arising under such Sections and that such obligations shall not constitute a claim against the CP Issuer in the event that the CP Issuer's assets are insufficient to pay in full such obligations, and that such obligations are fully subordinated to the CP Issuer's obligations under the Commercial Paper and the Loans.

Section 2.13. Pro Rata Treatment and Payments. Each drawing by the Collateral Agent on behalf of the CP Issuer from the LOC Issuers hereunder, except a Special Drawing pursuant to Section 2.03, and each payment by the CP Issuer on account of any LOC Disbursement or fee payable hereunder and any reduction of the LOC Commitment of the LOC Issuer shall be made pro rata according to the respective Percentages of the LOC Issuers.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 3.01. Representations and Warranties of the CP Issuer. In order to induce the LOC Issuers to enter into this Agreement and to provide the credit facilities provided for herein, the CP Issuer herein makes the representations and warranties contained in the Security Agreement (which are hereby incorporated by reference in this Article III) and the following additional representations and warranties to the LOC Issuers:

(a) Organization; Powers. The CP Issuer (a) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) 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, (c) is qualified to do business in every jurisdiction where such qualification is required, and (d) has the corporate power and authority to execute, deliver and perform its obligations under each of the Facilities Documents and each other agreement or instrument contemplated thereby to which it is or will be a party, to borrow hereunder and to grant the Liens on the Collateral pursuant to the Security Agreement.

(b) Authorization. The execution, delivery and performance by the CP Issuer of each of the Facilities Documents and the other transactions contemplated hereby and thereby (a) have been duly authorized by all requisite corporate and, if required, stockholder action and (b) will not (i) violate (1) any provision of law, statute, rule or regulation, or of the certificate or articles of incorporation or other constitutive documents or by-laws of the CP Issuer, (2) any order of any Governmental Authority or (3) any provision of any indenture, agreement or other instrument to which the CP Issuer is a party or by which it or any of its property is or may be bound, (ii) conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under any such indenture, agreement or other instrument or (iii) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by the CP Issuer, except the Lien created pursuant to the Security Agreement in favor of the Collateral Agent.

(c) Enforceability. This Agreement has been duly executed and delivered by the CP Issuer and constitutes, and each other Facilities Document when executed and delivered by the CP Issuer will constitute, a legal, valid and binding obligation of the CP Issuer enforceable against the CP Issuer in accordance with its terms except as such enforceability is subject to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally, and to the general principles of equity (regardless of whether enforcement is sought in 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 execution and performance of the Facilities Documents, except such as have been made or obtained and are in full force and effect.

(e) Federal Reserve Regulations.

(i) The CP Issuer is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

(ii) No part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, (i) to purchase or carry Margin Stock or to extend credit to others for the purpose of purchasing or carrying Margin Stock or to refund indebtedness originally incurred for such purpose or (ii) for any purpose that entails a violation of, or that is inconsistent with, the provisions of the Regulations of the Board, including Regulation G, U or X.

(f) Investment Company Act; Public Utility Holding Company Act. The CP Issuer is not (i) an "investment company," or an "affiliated person" of, or "principal underwriter" or "promoter" for, an "investment company," as such terms are defined in, or subject to regulation under, the Investment Company Act of 1940, as amended, or (ii) a "holding company" as defined in, or subject to regulation under, the Public Utility Holding Company Act of 1935.

(g) Subsidiaries. The CP Issuer has no Subsidiaries.

(h) Defaults. With respect to the CP Issuer, no Event of Default under this Agreement, no Event of Default under the Liquidity Agreement, and no event, which with the lapse of time or notice or both would become any of such events, has occurred and is continuing.

Section 3.02. Representations and Warranties of Funding. In order to induce the LOC Issuers to enter into this Agreement and to provide the credit facilities provided for herein, Funding herein makes the following representations and warranties to the LOC Issuers:

(a) Organization; Powers. Funding (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 every jurisdiction where such qualification is required and where failure to so qualify would have a material adverse effect on the Holders of Commercial Paper and (iv) has the corporate power and authority to execute, deliver and perform its obligations under each of the Facilities Documents and each other agreement or instrument contemplated thereby to which it is or will be a party.

(b) Authorization. The execution, delivery and performance by Funding of each of the Facilities Documents to which it is a party and the other transactions contemplated hereby and thereby (i) have been duly authorized by all requisite corporate and, if required, stockholder action and (ii) will not (a) violate (1) any provision of law, statute, rule or regulation, or of the certificate or articles of incorporation or other constitutive documents or by-laws of Funding, (2) any order of any Governmental Authority or (3) any provision of any indenture, agreement or other instrument to which Funding is a party or by which it or any material part of its property is or may be bound, (b) conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under any such indenture, agreement or other instrument or (c) result in the creation or imposition of any Lien upon or with respect to any material part of the property or assets now owned or hereafter acquired by Funding.

(c) Enforceability. This Agreement has been duly executed and delivered by Funding and constitutes, and each other Facilities Document to which it is a party when executed and delivered by Funding will constitute, a legal, valid and binding obligation of Funding enforceable against Funding in accordance with its terms except as such enforceability is subject to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally, and to the general principles of equity (regardless of whether enforcement is sought in 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 execution and performance of the Facilities Documents to which Funding is a party, except such as have been made or obtained and are in full force and effect.

(e) Federal Reserve Regulations. Funding is not engaged

principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

(f) With respect to Funding, no Event of Default under this Agreement, no Event of Default under the Liquidity Agreement, and no event, which with the lapse of time or notice or both would become any of such events, has occurred and is continuing.

Section 3.03. Representations and Warranties of Ingram. In order to induce the LOC Issuers to enter into this Agreement and to provide the credit facilities provided for herein, Ingram herein makes the following representations and warranties to the LOC Issuers:

(a) Organization; Powers. Ingram (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 every jurisdiction where such qualification is required and where failure to so qualify would have a material adverse effect on the Holders of Commercial Paper and (iv) has the corporate power and authority to execute, deliver and perform its obligations under each of the Facilities Documents and each other agreement or instrument contemplated thereby to which it is or will be a party.

(b) Authorization. The execution, delivery and performance by Ingram of each of the Facilities Documents to which it is a party and the other transactions contemplated hereby and thereby (i) have been duly authorized by all requisite corporate and, if required, stockholder action and (ii) will not (a) violate (1) any provision of law, statute, rule or regulation, or of the certificate or articles of incorporation or other constitutive documents or by-laws of Ingram, (2) any order of any Governmental Authority or (3) any provision of any indenture, agreement or other instrument to which Ingram is a party or by which it or any material part of its property is or may be bound, (b) conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under any such indenture, agreement or other instrument or (c) result in the creation or imposition of any Lien upon or with respect to any material part of the property or assets now owned or hereafter acquired by Ingram.

(c) Enforceability. This Agreement has been duly executed and delivered by Ingram and constitutes, and each other Facilities Document to which it is a party when executed and delivered by Ingram will constitute, a legal, valid and binding obligation of Ingram enforceable against Ingram in accordance with its terms except as such enforceability is subject to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally, and to the general principles of equity (regardless of whether enforcement is sought in 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 execution and performance of the Facilities Documents to which Ingram is a party, except such as have been made or obtained and are in full force and effect.

(e) Federal Reserve Regulations. Ingram is not engaged principally, or as one of Its Important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

(f) Defaults. With respect to Ingram, no Event of Default under this Agreement, no Event of Default under the Liquidity Agreement, and no event, which with the lapse of time or notice or both would become any of such events has occurred and is continuing.

Section 3.04. Additional Representations. Ingram represents and warrants that the representations and warranties made by it in Section 3.03 of the Pooling and Servicing Agreement are true and correct as of the dates there so made.

Section 3.05. Covenants of Servicer. The Servicer (including, other than with respect to subparagraph (e), any Successor Servicer) covenants and agrees that, so long as any LOC shall remain in effect or any monetary obligation arising hereunder or under the Pooling and Servicing Agreement shall remain unpaid, unless each LOC Issuer shall otherwise consent in writing, it shall:

(a) for the benefit of the LOC Issuers and for so long as this Agreement shall be in effect, perform and comply with each of its respective agreements, warranties and indemnities contained in this Agreement and the Pooling and Servicing Agreement; provided, that the remedy for the breach of this clause (a) as to warranties of the Servicer in the Pooling and Servicing Agreement, shall, to the extent that the remedy for such breach is limited in the Pooling and Servicing Agreement, be so limited herein;

(b) not amend or waive or consent to any amendment to or waiver of (i) Article IV of the Pooling and Servicing Agreement as it relates to the Variable Funding Supplement (including such portions of Article IV which may be restated in the Variable Funding Supplement) or any definition to the extent used therein, (ii) the definition of Discount Factor in a manner which could cause a reduction thereof, (iii) Section 9.02 of the Pooling and Servicing Agreement or (iv) any other provision of the Pooling and Servicing Agreement or any other Facilities Document to the extent an LOC Issuer would be materially adversely affected thereby; provided, that the addition of a Supplement for a Series will not in and of

itself cause a material adverse effect on any LOC Issuer;

(c) deliver to the LOC Issuers a copy of each amendment or supplement to the Pooling and Servicing Agreement or of any Supplement, the Purchase Agreement or any of the other agreements contemplated hereby;

(d) execute and deliver to the LOC Issuers all such documents and instruments and do all such other acts and things as may be necessary or reasonably required by the LOC Issuers or the Collateral Agent to enable the Collateral Agent or the LOC Issuers to exercise and enforce their respective rights under this Agreement and the Security Agreement and to realize thereon, and record and file and rerecord and refile all such documents and instruments, at such time or times in such manner and at such place or places, all as may be necessary or reasonably required by the Collateral Agent or the LOC Issuers to validate, preserve and protect the position of the CP Issuer and the LOC Issuers under this Agreement and the Security Agreement;

(e) not sell all or substantially all of its property and assets to, or consolidate with or merge into, any other corporation;

(f) furnish to the LOC Issuers a copy of each certificate, report, statement, notice or other communication (other than investment instructions) furnished by or on behalf of the Transferor or the Servicer to Certificateholders, the Collateral Agent or the Rating Agencies concurrently therewith and furnish to each LOC Issuer promptly after receipt thereof, a copy of each notice, demand or other communication received by Ingram Funding Inc., as Transferor, or the Servicer from the Collateral Agent, the Certificateholders or the Rating Agencies with respect to the Variable Funding Certificate, its LOC, this Agreement, the Security Agreement or the Pooling and Servicing Agreement; and furnish such other information as the LOC Issuers may reasonably request;

(g) promptly advise the LOC Issuers of the occurrence of any Event of Termination or Servicer Default under the Pooling and Servicing Agreement;

(h) with respect to the Receivables, promptly notify the LOC Issuers of any material changes in the Credit and Collection Policy, and in any event will not, except as required by law, make any material change to the Credit and Collection Policy which could reasonably be expected to have a material adverse effect on the collectibility of the Receivables, taken as a whole or on the rights of any LOC Issuer;

(i) upon reasonable written notice from an LOC Issuer, allow employees and agents of such LOC Issuer, during the Servicer's normal business hours, to audit the Servicer's books and records concerning the Receivables, and the servicing thereof; provided, however, that such audit is performed without unreasonable disruption of the Servicer's operations; and provided, further, that such audit may be conducted at the Servicer's expense only once each calendar year, and all costs and expenses of any audit after the first in any calendar year shall be paid by such LOC Issuer; and

(j) perform on a timely basis all of its obligations under the Pooling and Servicing Agreement.

Section 3.06. Covenants of the CP Issuer. The CP Issuer covenants and agrees that, so long as any LOC shall remain in effect or any monetary obligation arising hereunder or under any of the other Facilities Documents to which the CP Issuer is a party shall remain unpaid, unless each LOC Issuer shall otherwise consent in writing, it shall:

(a) for the benefit of the LOC Issuers and for so long as this Agreement shall be in effect, perform and comply with each of its respective agreements, warranties and indemnities contained in this Agreement and the other Facilities Documents to which the CP Issuer is a party; provided, that the remedy for the breach of this clause (a) as to warranties of the CP Issuer in the other Facilities Documents to which the CP Issuer is a party, shall, to the extent that the remedy for such breach is limited in the other Facilities Documents to which the CP Issuer is a party, be so limited herein;

(b) The CP Issuer shall not, without the consent of the LOC Issuers, amend or waive or consent to any amendment to or waiver of any provision of any Facilities Document to the extent the LOC Issuers would be materially adversely affected thereby;

(c) deliver to the LOC Issuers a copy of each amendment or supplement to the Liquidity Agreement or any of the other agreements contemplated hereby;

(d) execute and deliver to the LOC Issuers all such documents and instruments and do all such other acts and things as may be necessary or reasonably required by the LOC Issuers or the Collateral Agent to enable the Collateral Agent or the LOC Issuers to exercise and enforce their respective rights under this Agreement and the Security Agreement and to realize thereon, and record and file and rerecord and refile all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be necessary or reasonably required by the Collateral Agent or the LOC Issuers to validate, preserve and protect the position of the CP Issuer and the LOC Issuers under this Agreement and the Security Agreement;

(e) not sell all or substantially all of its property and assets

to, or consolidate with or merge into, any other corporation, without the consent of the LOC Issuers;

(f) upon reasonable written notice from an LOC Issuer, allow employees and agents of such LOC Issuer, during the CP Issuer's normal business hours, to audit the CP Issuer's books and records concerning the Variable Funding Certificate; provided, however, that such audit is performed without unreasonable disruption of the CP Issuer's operations; and provided, further, that such audit may be conducted at the CP Issuer's expense only once each calendar year, and all costs and expenses of any audit after the first in any calendar year shall be paid by such LOC Issuer.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.01. Conditions Precedent to Effectiveness. The following constitute conditions precedent to the obligation of each LOC Issuer to issue its LOC on the Initial Closing Date:

(a) Each of the LOC Issuers shall have received a fully executed original counterpart of this Agreement, each of the other Facilities Documents and all related documents, and such agreements shall be in form and substance satisfactory to the LOC Issuers.

(b) On the date of issuance of the LOCs, all representations and warranties of the CP Issuer, Funding and Ingram contained in this Agreement and the Pooling and Servicing Agreement shall be true and correct, and the LOC Issuers shall have received a certificate from each of the CP Issuer, Funding and Ingram to such effect.

(c) On the date of issuance of the LOCs, the CP Issuer and Ingram shall not be in default of any obligation under this Agreement or any of the other Facilities Documents.

(d) Each of the LOC Issuers shall have received the favorable written opinion(s) of counsel to Ingram (who may be an employee of Ingram) and the CP Issuer, dated the Closing Date, with respect to the matters reasonably requested by the LOC Issuers.

(e) Each of the LOC Issuers shall have received (i) a copy of the resolutions of the Executive Committee of the Board of Directors of Ingram, certified as of the Closing Date by the Secretary or Assistant Secretary thereof, authorizing the execution, delivery and performance of this Agreement, the other Facilities Documents to which it is a party and the procurement of the LOCs, (ii) copies of the Charter and By-laws of the Servicer, (iii) an incumbency certificate of the Servicer with respect to its officers authorized to execute this Agreement, the other Facilities Documents to which it is a party and the documents required hereby, (iv) a copy of the resolutions of the Board of Directors of the Transferor, certified as of the Closing Date by the Secretary or Assistant Secretary thereof, authorizing the execution, delivery and performance of this Agreement, the other Facilities Documents to which it is a party and the procurement of the LOCs, (v) copies of the Charter and By-laws of the Transferor, (vi) an incumbency certificate of the Transferor with respect to its officers authorized to execute this Agreement, the other Facilities Documents to which it is a party and the documents required hereby, (vii) a copy of the resolutions of the Board of Directors of the CP Issuer, certified as of the Closing Date by the Secretary or Assistant Secretary thereof, authorizing the execution, delivery and performance of this Agreement and the other Facilities Documents to which it is a party, (viii) copies of the Charter and By-laws of the CP Issuer and (ix) an incumbency certificate of the CP Issuer with respect to its officers authorized to execute this Agreement, the other Facilities Documents to which it is a party and the documents required hereby.

(f) The Pooling and Servicing Agreement shall be in full force and effect and all conditions precedent to the issuance of the Variable Funding Certificate contained therein shall have been satisfied.

(g) Each of the LOC Issuers shall have received such other documents, certificates, instruments, approvals and opinions (including, without limitation, an opinion of Orrick, Herrington & Sutcliffe, counsel to the LOC Issuers) as the LOC Issuers may reasonably request.

(h) All fees pursuant to Section 2.06(a) shall have been paid.

ARTICLE V

MISCELLANEOUS

Section 5.01. [reserved]

Section 5.02. Expenses. Subject to Section 2.12, the CP Issuer agrees to pay all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses), if any, incurred by any LOC Issuer in connection with the negotiation, preparation, execution, delivery, amendment, modification, waiver and enforcement of this Agreement, the Pooling and Servicing Agreement and any other agreement delivered in connection herewith or therewith.

Section 5.03. Indemnity. (a) Subject to Sections 2.09 and 2.12, the

CP Issuer agrees to indemnify and hold harmless each LOC Issuer and its respective officers, directors, employees and agents (each LOC Issuer, its respective officers, directors, employees and agents shall be individually referred to herein as an "Indemnitee") from and against any and all claims, damages, losses, liabilities, costs or expenses whatsoever which any such Indemnitee may incur (or which may be claimed against any such Indemnitee) by reason of or in connection with the execution and delivery or assignment of, or payment under, its LOC or this Agreement or any transactions contemplated hereby or by the Facilities Documents, or by reason of any default in the reimbursement of any LOC Disbursement except to the extent that any such claim, damage, loss, liability, cost or expense is caused by the willful misconduct or gross negligence of any such Indemnitee. The foregoing indemnity shall include any claims, damages, losses, liabilities, costs and expenses to which any LOC Issuer may become subject under the Securities Act of 1933, as amended (the "Act"), the Securities Exchange Act of 1934, as amended, or other federal or state law or regulation. This covenant shall survive the termination of this Agreement and the expiration of the LOCs.

(b) The Servicer shall not assign (whether voluntarily or as a result of a Servicer Default) any of its rights or obligations hereunder or under the Pooling and Servicing Agreement (except as permitted by Section 8.07 of the Pooling and Servicing Agreement) to any Person unless (i) the prior written consent of the LOC Issuers shall have been obtained, and (ii) prior to the effective date of such assignment, such Person shall have executed and delivered to the LOC Issuers a written agreement in form and substance reasonably satisfactory to the LOC Issuers in which such Person agrees to be bound by the terms, covenants and conditions contained herein and in the Pooling and Servicing Agreement applicable to the Servicer, as Servicer, and subject to the duties and obligations of the Servicer hereunder after the effective date of its appointment and shall agree to indemnify and hold harmless each LOC Issuer from and against any and all claims, damages, losses, liabilities, costs or expenses whatsoever which such LOC Issuer may incur (or which may be claimed against such LOC Issuer) by reason of the gross negligence or willful misconduct of the Successor Servicer in exercising its powers and carrying out its obligations herein and under the Pooling and Servicing Agreement. Any Successor Servicer appointed pursuant to the Pooling and Servicing Agreement shall likewise agree to the terms set forth in clause (ii). As of the date of its acceptance, such Successor Servicer shall be deemed to have made with respect to itself the representations and warranties made by the Servicer in Section 3.03. Following the effective date of appointment, the Servicer shall be released from all duties and liabilities as Servicer hereunder, but such release shall not affect any obligations of the Servicer that arose prior to such date or the obligations of the Servicer under Section 2.06, this Section 5.03 or 3.05(f) (in the case of Section 3.05(f), excluding any documents received by the Successor Servicer from anyone other than the Servicer and also excluding any documents received by the Servicer from the Successor Servicer) or 3.05(i) (to the extent the Servicer retains the records referred to therein) of this Agreement, whether arising before or after such date.

Section 5.04. Notices. Except where telephonic instructions or notices are authorized herein to be given, all notices, demands, instructions and other communication required or permitted to be given to or made upon any party hereto shall be in writing and shall be personally delivered or sent by registered, certified or express mail, postage prepaid, return receipt requested, or by prepaid Telex, TWX, facsimile or telegram (with messenger delivery specified in the case of a telegram) (any notice sent by telex, TWX, facsimile or telegram will be confirmed by mail as provided herein) and shall be deemed to be given for purposes of this Agreement on the day that such writing is delivered or sent to the intended recipient thereof in accordance with the provisions of this Section 5.04. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provision of this Section 5.04, notices, demands, instructions and other communications shall be given to or made upon the respective parties hereto at their respective addresses (or to their respective Telex, facsimile or TWX numbers) indicated below:

If to the LOC Issuers:	to the respective addresses set forth underneath their respective names on Schedule 2 hereto
If to the CP Issuer:	Distribution Funding Corporation c/o Merrill Lynch World Financial Center, South 225 Liberty Street, 8th Floor New York, New York 10080-6108 Attention: Gary Carlin, Treasurer Telephone: (212) 236-7200 Telecopy: (212) 236-7584
If to the Servicer:	Ingram Industries Inc. One Belle Meade Plaza 4400 Harding Road Nashville, Tennessee 37205 Attention: Treasurer Telephone: (615) 298-8242 Telecopy: (615) 298-8200
If to the Transferor:	Ingram Funding Inc. 1105 North Market Street Wilmington, Delaware 19801 Attention: President Telephone: (302) 427-7650 Telecopy: (302) 427-7663

If to the Collateral Agent: Chemical Bank
450 West 33rd Street,
15th Floor
New York, New York 10041
Attention: Corporate Trustee
Administration Department
Telephone: (212) 971-3350
Telecopy: (212) 613-7799

Section 5.05. Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

Section 5.06. Waivers, etc. Neither any failure nor any delay on the part of any LOC Issuer in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise or the exercise of any other right, power or privilege. No provision of this Agreement shall be waived, amended or supplemented except by a written instrument executed by the parties hereto.

Section 5.07. Severability. Any provisions of this Agreement which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceable 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 5.08. Term. This Agreement shall remain in full force and effect until the later to occur of (a) the payment of all the LOC Disbursements and any and all other amounts payable hereunder, notwithstanding the earlier termination of the related LOCs or (b) the termination of all of the LOCs. The provisions of Sections 2.04, 2.09, 5.02 and 5.03 hereof shall survive termination of this Agreement.

Section 5.09. Successors and Assigns. (a) This Agreement shall be binding upon each LOC Issuer, the CP Issuer, the Servicer, the Transferor and the Collateral Agent and their respective successors and assigns; provided that no party hereto may assign any of its obligations under this Agreement or its Percentage of the LOC Commitment, as applicable, without the prior written consent of each other party hereto; provided, further that no assignment hereunder or under the LOC will be effective until the Collateral Agent and the CP Issuer have received written confirmation from each of S&P and Fitch to the effect that such assignment would not result in a withdrawal or reduction of the then current rating of Commercial Paper by such rating agency.

"Assignee" shall mean any bank or other financial institution which has been assigned a portion of the LOC Commitment. Notwithstanding the foregoing, subject to the prior written consent of Ingram, any LOC Issuer and any Participant (as defined below) may, at any time, grant participations, or any existing Participant may assign all or part of its participation, to any other person, firm or corporation (a "Participant") in all or part of its rights under this Agreement except that the CP Issuer shall not be obligated to any Participant for amounts under Sections 2.09, 5.02 and 5.03 hereof in excess of such amounts which would have been owing to such LOC Issuer thereunder had such participation not been effected unless the CP Issuer has given its prior written consent to the participation of such Participant; provided, however, that the amount of any participation granted to any Participant by any LOC Issuer shall not be less than $400,000 (unless the CP Issuer shall otherwise agree in writing) and the amount of the participation of such LOC Issuer remaining after any such participation shall not be less than $400,000 (unless the CP Issuer shall otherwise agree in writing). Each LOC Issuer hereby acknowledges and agrees that any such disposition will not alter or affect such LOC Issuer's direct obligations to the Collateral Agent, and that neither the Servicer, the Transferor nor the Collateral Agent shall have any obligation to communicate with or maintain a relationship with any Participant in order to enforce such obligations of such LOC Issuer hereunder and under its LOC. All agreements, representations and warranties made herein shall survive the execution and delivery of this Agreement.

(b) Each LOC Issuer may furnish any information concerning the CP Issuer, the Trust, the Transferor, Ingram or any Trust Assets in the possession of such LOC Issuer from time to time to Assignees and Participants (including the prospective Assignees and Participants) only with the prior written consent of Ingram, which consent shall be deemed to have been so given to the Participants set forth in Schedule 3 upon the execution of an agreement by each such Participant agreeing to abide by the terms of the covenant set forth in Section 5.13(e). As a condition thereto, any Assignee or Participant (other than those set forth in Schedule 3) or proposed Assignee or Participant shall agree in writing prior to receiving any such information to the terms set forth in the covenant contained in Section 5.13(e) hereof.

(c) Any agreement pursuant to which any LOC Issuer may grant a participating interest shall provide that (i) each Participant shall be entitled to vote on any and all matters on which LOC Issuers are entitled to vote hereunder, including without limitation any approval, consent or waiver; (ii) such vote shall be counted based upon the percentage that such Participant's amount of participation bears to the LOC Commitment (a "Participant's Voting Percentage) except that on matters which require the consent of each such LOC Issuer, such LOC Issuer shall not be entitled to cast its vote approving such matters without the approval of each of its Participants; (iii) such LOC Issuer shall promptly advise each Participant

in writing (or by telephone confirmed promptly thereafter in writing) of any matters which require the approval, vote or consent of the LOC Issuers; (iv) when voting, such LOC Issuer shall vote its Percentage severally to reflect the manner in which it has been instructed in writing (or by telephone confirmed promptly thereafter in writing) to vote the Participant's Voting Percentage of each of such LOC Issuer's Participants; and (v) each Participant agrees to the terms set forth in the covenants in Section 5.13(e).

Section 5.10. Counterparts. This Agreement may be executed in one or more counterparts, including a telefax transmission thereof, and by the different parties hereto on the same or separate counterparts, each of which shall be deemed to be an original instrument.

Section 5.11. Further Assurances. Each of the CP Issuer and the Servicer agrees to do such further acts and things and to execute and deliver to the LOC Issuers or the Collateral Agent such additional assignments, agreements, powers and instruments as are required by the LOC Issuers or the Collateral Agent to carry into effect the purposes of this Agreement or to better assure and confirm unto the LOC Issuers or the Collateral Agent their respective rights, powers and remedies hereunder.

Section 5.12. Captions. The various captions (including, without limitation, the table of contents) in this Agreement are included for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement.

Section 5.13. Representations, Warranties and Covenants of the LOC Issuers. Each LOC Issuer hereby represents, warrants and covenants to the Servicer, the Transferor, the CP Issuer and the Collateral Agent that:

(a) it is duly authorized to enter into and perform this Agreement and to issue its LOC for the LOC Issuer's Percentage of the LOC Commitment, and has duly executed and delivered this Agreement, and upon the issuance and delivery of its LOC in accordance with Section 2.01, its LOC will be duly executed and delivered;

(b) this Agreement constitutes and, upon the issuance thereof, its LOC will constitute, the legal, valid and binding obligations of such LOC Issuer, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency and similar laws and to moratorium laws and other similar laws affecting creditors' rights generally from time to time in effect and to general equitable principles, whether enforcement is sought at law or in equity); and

(c) no registration with or consent or approval of or other action by any state or local government authority or regulatory body having jurisdiction over such LOC Issuer is required in connection with the execution, delivery or performance by it of this Agreement or its LOC other than as may be required under the blue sky laws of any state.

(d) on the Closing Date, it will provide to the Collateral Agent, the Depositary, the Liquidity Agent, the Liquidity Banks and the Servicer the favorable written opinion of its counsel and of Orrick, Herrington & Sutcliffe (as to federal law and New York law), special counsel to the LOC Issuers, to the effect that its LOC has been duly authorized, executed and delivered and will constitute the legal, valid and binding obligations of such LOC Issuer, enforceable against it in accordance with its terms (subject, as to the enforcement of remedies in case of the insolvency of such LOC Issuer, to applicable bankruptcy, reorganization, insolvency and similar laws and to moratorium laws and other similar laws affecting creditors' rights generally from time to time in effect and to general equitable principles, whether enforcement is sought at law or in equity); and

(e) unless otherwise agreed to in writing by the CP Issuer and Ingram, the LOC Issuers hereby agree to keep all Proprietary Information (as defined below) confidential and not to disclose or reveal any Proprietary Information to any Person other than such LOC Issuer's directors, officers, employees, Affiliates and agents, and subject to Section 5.09(b), actual or potential Assignees and actual or potential participants; provided, however, that any of the LOC Issuers may disclose Proprietary Information (i) as required by law, rule, regulation or judicial process, (ii) to its attorneys and accountants who are expected to become engaged in rendering advice or assistance in connection therewith, (iii) as requested or required by any state, Federal or foreign authority or examiner regulating banks or banking or (iv) in connection with any enforcement of any of their rights under the Facilities Documents. For purposes of this Agreement, the term "Proprietary Information" shall include all information about the CP Issuer, Ingram, or any of their Affiliates which has been furnished or made available by the CP Issuer, Ingram, or any of their Affiliates, whether furnished or made available before or after the date hereof, and regardless of the manner in which it is furnished or made available; provided, however, that Proprietary Information does not include information which (x) is or becomes generally available to the public other than as a result of a disclosure by any of the LOC Issuers not permitted by this Agreement, (y) was available to any of the LOC Issuers on a nonconfidential basis prior to its disclosure to any of the LOC Issuers by the CP Issuer, Ingram, or any of their Affiliates or (z) becomes available to any of the LOC Issuers on a nonconfidential basis from a Person other than the CP Issuer, Ingram, or any of their Affiliates who, to the best knowledge of any of the LOC Issuers, is not otherwise bound by a confidentiality agreement with the CP Issuer, Ingram, or any of their Affiliates, or is not otherwise prohibited from transmitting the information to any of the LOC Issuers.

Section 5.14. Survival of Representations, Indemnities, Warranties and Agreements. All agreements, representations, indemnities and

warranties made herein shall survive the execution and delivery of this Agreement.

Section 5.15. Tax Forms. Each LOC Issuer agrees to provide the CP Issuer (with a copy to the Servicer) with (i) two duly completed copies of United States Internal Revenue Service Form 1001 or 4224 or successor applicable form, as the case may be, and (ii) an Internal Revenue Service Form W-8 or w-9 or successor applicable forms or other manner of certification, as the case may be, on or before the date that any such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Servicer, and such extensions or renewals thereof as may reasonably be requested by the Servicer or the CP Issuer. Each LOC Issuer shall certify (i) in the case of a Form 1001 or 4224, that it is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, unless in any such case an event (including, without limitation, any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such LOC Issuer from duly completing and delivering any such form with respect to it and such LOC Issuer advises the Servicer that it is not capable of so receiving payments without any deduction or withholding, and (ii) in the case of a Form W-8 or W-9, that it is entitled to an exemption from United States backup withholding tax. If any LOC Issuer grants a participation pursuant to Section 5.09 hereof, such LOC Issuer shall obtain from its Participant and shall furnish to the Servicer (with a copy to the CP Issuer and the Collateral Agent) the form described in this Section 5.15.

Section 5.16. Jurisdiction. Each of the LOC Issuers, the Servicer, the Transferor, the CP Issuer and the Collateral Agent hereby submits to the non-exclusive jurisdiction of the Supreme Court of the State of New York, County of New York and the United States District Court for the Southern District of New York (collectively, the "Subject Courts") in respect of any suit, action or proceeding arising out of this Agreement, the Security Agreement, the Pooling and Servicing Agreement and the other agreements contemplated hereby and thereby. Each of the Servicer and the CP Issuer hereby waives any objection it may have to the laying of venue of any such suit, action or proceeding in any of the Subject Courts, and to the fullest extent permitted by applicable law, any claim that any such suit, action or proceeding brought in any of the Subject Courts has been brought in an inconvenient forum. Each of the Servicer, the Transferor, the CP Issuer and the Collateral Agent agrees that service of all writs, process and summonses in any suit, action or proceeding may be delivered by the mailing thereof by first-class mail, postage prepaid, to the Servicer, the Transferor, the CP Issuer or the Collateral Agent respectively, at its address set forth in Section 5.04 hereof.

Section 5.17. Limitation of Liability and Collateral Agent's Obligations. It is expressly understood and agreed by the parties hereto that, with respect to Chemical Bank acting in its capacity as Collateral Agent and not in its capacity as LOC Issuer, this Agreement is executed by Chemical Bank not in its corporate and individual capacity but solely as Collateral Agent under the Security Agreement in the exercise of the power and authority conferred and vested in it as such Collateral Agent. It is further understood and agreed that Chemical Bank as Collateral Agent shall not be personally liable for any breach of any representation, warranty or covenant of the CP Issuer, or the LOC Issuers and the holders of Commercial Paper, contained herein or in any of the certificates, notices or agreements delivered hereunder and nothing herein contained shall be construed as creating any liability on Chemical Bank in its corporate and individual capacity (other than in its capacity as an LOC Issuer hereunder) to make any payment or to perform any covenant, agreement or undertaking contained herein, all such liability being expressly waived by each of the parties hereto, and that the parties hereto shall look solely to the Variable Funding Certificate for the payment of any amounts due and payable on account of any LOC and for the payment, performance or other satisfaction of this Agreement and any claim against the CP Issuer or the Collateral Agent by reason of the transactions contemplated hereby.

Section 5.18. No Bankruptcy Petition Against the CP Issuer. Each LOC Issuer (solely in its capacity as LOC Issuer) and the Collateral Agent (solely in its capacity as Collateral Agent) severally and not jointly, hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of all outstanding Commercial Paper, Loan Notes and LOC Disbursements, it will not institute against, or join any other Person in instituting against, the CP Issuer any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States.

Section 5.19. Amendment and Waiver. (a) The CP Issuer shall not consent to any amendment, waiver, supplement, restatement, or other modification to any provision hereof or any other Facilities Document, the Purchase Agreement or any Subsidiary Purchase Agreement unless the same shall be consented to by the Required LOC Issuers; provided that any amendment that would (i) increase the amount of the LOC Commitment, (ii) reduce any fees or commissions, (iii) result in a reduction in any interest rate, extension of the date for any repayments of any LOC Disbursements, or forgiveness of any debt, (iv) alter the allocation or priority of payment of Collections set forth in Sections 8 and 9 of the Security Agreement, (v) release the Lien of any Collateral (except as expressly permitted by the Facilities Documents), (vi) change this Section or the percentage specified in the definition of Required LOC Issuers, (vii) extend the Expiration Date, or (viii) decrease the percentage set forth in the definition of Discount Factor, may only be amended, waived, supplemented, restated, discharged or terminated with the prior written consent of the CP Issuer

and each LOC Issuer.

(b) No amendment, waiver, supplement, restatement, discharge or termination contemplated under this Section 5.19 shall be effective without prior written notice from each of S&P and Fitch, respectively, to the effect that such amendment, waiver, supplement, restatement, discharge or termination would not result in a withdrawal or reduction of the then-current rating on the Commercial Paper by such rating agency.

Section 5.20. Waiver And Jury Trial. EACH OF THE CP ISSUER, THE COLLATERAL AGENT, AND EACH OF THE LOC ISSUERS HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO ANY OF THE FACILITIES DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY.

Please signify your agreement and acceptance of the foregoing by executing this Agreement in the space provided below.

DISTRIBUTION FUNDING CORPORATION

/s/
By: _____
Authorized Signatory

INGRAM INDUSTRIES INC.,

/s/
By: _____
Authorized Signatory

INGRAM FUNDING INC.,

/s/
By: _____
Authorized Signatory

CHEMICAL BANK, as Collateral Agent

/s/
By: _____
Authorized Signatory

CHEMICAL BANK, as LOC Issuer

/s/
By: _____
Authorized Signatory

NATIONSBANK OF NORTH CAROLINA, N.A.
as LOC Issuer

/s/
By: _____
Authorized Signatory

EXHIBIT A
to the Letter of Credit
Reimbursement Agreement

IRREVOCABLE LETTER OF CREDIT

[Name of LOC Issuer]
[Address]

February 10, 1993

Letter of Credit No. _

TO: Chemical Bank
in its capacity as Collateral Agent
450 W. 33rd Street
15th Floor
New York, New York 10001

Attention: Corporate Trustee Administration
Department

At the request and on the instructions of Distribution Funding Corporation (the "CP Issuer"), the undersigned issuing bank (the "LOC Issuer") hereby establishes in your favor, as Collateral Agent, pursuant to that certain Letter of Credit Reimbursement Agreement, dated as of February 10, 1993 (as amended from time to time, the "LOC Reimbursement Agreement"), among the LOC Issuers named therein, you, the Transferor, the Servicer, and the CP Issuer, this irrevocable Letter of Credit (hereinafter the "LOC") in the amount of $_____ (the "LOC Commitment Amount"), as reduced and reinstated from time to time as herein provided, effective immediately and expiring at 4:30 p.m. on December 31, 1995 [unless otherwise extended] (the "LOC Expiration Date"). All capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in the LOC Reimbursement Agreement and Annex X thereto.

Only you may make drawings under this LOC. Upon payment of the amount specified in a Drawing Certificate (as defined below) and sight draft (if required) hereunder, the LOC Issuer shall be fully discharged of its obligation under this LOC to the extent of such Drawing Certificate and sight draft (if required), and the LOC Issuer shall not thereafter be obligated to make any further payments under this LOC with respect to such drawing. By: paying to you or for your account any amount drawn in accordance with this LOC, the LOC Issuer makes no representation as to the correctness of the amount drawn.

The amount available to be drawn under this LOC, at any time, shall equal the amount of the LOC Commitment (as in effect from time to time), shall be reduced by an amount equal to each drawing honored by the LOC Issuer, and shall be reinstated [upon the reimbursement to the LOC Issuer of any drawing (or portion thereof) by the amount of such reimbursement] [For Chemical Bank -- (a) on each Wednesday, to the extent of funds in the LOC Payment Account on such day, and (b) at any other time that funds in the LOC Payment Account equal or exceed $100,000, to the extent of such funds; provided, however, that if a Drawing Certificate for a Charge-Off Drawing is in excess of the LOC Commitment Amount in effect on such day the LOC Commitment Amount shall be reinstated to the extent of such funds in the LOC Payment Account on such day. LOC Disbursements under this LOC, the reimbursement of which has not caused a reinstatement of this LOC pursuant to the previous sentence, shall not, in the aggregate, exceed the LOC Commitment Amount. Drawings hereunder may be made from and after the date of issuance hereof to and including the LOC Expiration Date.

Subject to the further provisions of this LOC, drawings may be made by you from time to time hereunder by presentation to the LOC Issuer of a drawing certificate (a "Drawing Certificate") in the form of Annex A (completed) with respect to Charge-Off Drawings or Annex B (completed) with respect to Special Drawings either (i) in the form of a letter on your letterhead accompanied by your sight draft stating on its face "Drawn Under Irrevocable Letter of Credit, [Name of LOC Issuer No. _____]" or (ii) in the form of a writing transmitted by authenticated teletransmission. Such Drawing Certificate and sight draft (if required) shall be dated the date of presentation and shall be presented at the Office of the LOC Issuer located at _____ , Attention _____, Telephone: (_____) _____, Telecopier (_____) _____.

The LOC Issuer hereby agrees that all drawings hereunder made in compliance with the terms of this LOC will be duly honored upon delivery of the Drawing Certificate and sight draft (if required) as specified above and if presented at the LOC Issuer's aforesaid office on or before the LOC Expiration Date. Drawings may be made by you under this LOC at any time during the LOC Issuer's business hours of 8:30 A.M. to 4:30 P.M. at its aforesaid address, on a Business Day. If a Drawing Certificate and sight draft (if required) is presented by you hereunder at or prior to 11:00 A.M. (New York City time) on any Business Day and provided that such demand for payment and the documents presented in connection therewith conform to the terms and conditions hereof, payment shall be made to you of the amount demanded, in immediately available funds by 3:00 P.M. New York City time on such Business Day. If a Drawing Certificate and sight draft (if required) presented to the LOC Issuer by you hereunder does not, in any instance, conform to the terms and conditions of this LOC, the LOC Issuer shall give you prompt notice that such Drawing Certificate and/or sight draft does not comply with the terms and conditions of this LOC, stating the reasons therefor and that it is holding any documents at your disposal or is returning the same to you, as the LOC Issuer may elect.

This LOC shall terminate on the earlier to occur of (a) the LOC Expiration Date or (b) upon receipt by the LOC Issuer from the beneficiary of a duly completed and executed certificate in the form of Annex C attached hereto. Unless the LOC Issuer is in default with respect to its obligations under this LOC, you shall surrender this LOC to the LOC Issuer promptly following the LOC Expiration Date.

You may transfer your rights under this LOC in their entirety (but not in part) to any transferee who has succeeded to you as Collateral Agent and such transferred rights may be successively transferred. Transfer of your rights under this LOC to any such transferee shall be effected upon the presentation to the LOC Issuer of this LOC accompanied by a transfer letter in the form attached hereto as Annex D. This LOC shall be governed by and construed in accordance with the laws of the State of New York. As to matters not covered by the laws of the State of New York, this LOC shall be subject to the Uniform Customs and Practice for Documentary Credits (1983 Revision), International Chamber of Commerce, Publication No. 400 (the "Uniform Customs"). Communications with respect to this LOC shall be in writing and shall be addressed to the LOC Issuer at its address set forth above, specifically referring therein to this LOC.

This LOC sets forth in full the undertaking of the LOC Issuer, and

such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement or provision thereof except for such definitions.

Very truly yours,

_____
[Name of LOC Issuer]

By: _____
Authorized Signatory

ANNEX A TO

LETTER OF CREDIT

CERTIFICATE FOR "CHARGE-OFF DRAWING"

_____, 19__

[Name of LOC Issuer]
[Address]

Attention:

Re: Irrevocable Letter of Credit No.

Gentlemen:

The undersigned, a duly authorized officer of Chemical Bank, as collateral agent (the "Collateral Agents) under a certain Security Agreement, dated as of February 10, 1993, hereby certifies to [Name of LOC Issuer] with reference to Irrevocable Letter of Credit No. _____ (the "LOC") (any capitalized term used herein and not defined shall have the meaning set forth in the LOC) issued by the LOC Issuer, in favor of the Collateral Agent, that:

1. The undersigned is the Collateral Agent under the Security Agreement.

2. As of the date set forth above, pursuant to the Daily Report delivered to the under-signed on the date hereof, the drawing requested hereunder does not exceed the LOC Issuer's Percentage of the Available LOC Amount.

3. Ingram Industries Inc., as Servicer under the Pooling and Servicing Agreement or a successor thereto, has instructed the undersigned pursuant to Section 4.05(a) of the Pooling and Servicing Agreement with respect to the [Payment Date] [Determination Date] occurring on [insert applicable Determination Date or Payment Date] that (a) losses have been allocated to the Variable Funding Certificate, resulting in a write-down of $_____ and (b) $_____ should be drawn under the LOC in accordance with Section 2.02(a) of the LOC Reimbursement Agreement.

4. The undersigned hereby requests payment of a Charge-Off Drawing under the LOC in the amount of $_____, and directs that such payment be made to its account no. _____ at [Name of Bank].

5. All amounts received by the Collateral Agent from the LOC Issuer in respect of this certificate shall be deposited in the Collateral Account for disposition in accordance with the Security Agreement.

IN WITNESS WHEREOF, the Collateral Agent has executed and delivered this certificate as of this _____ day of _____, 19__.

CHEMICAL BANK, as Collateral Agent

By: _____
Authorized Signatory

ANNEX B TO

LETTER OF CREDIT NO.

CERTIFICATE FOR "SPECIAL DRAWING"

_____, 19__

[Name of LOC Issuer]
[Address]

Attention:

Re: Irrevocable Letter of Credit No.

Gentlemen:

The undersigned, a duly authorized officer of Chemical Bank, as Collateral Agent (the "Collateral Agent") under a certain Security Agreement, dated as of February 10, 1993, hereby certifies to [Name of Downgraded LOC Issuer] (the "Downgraded LOC Issuer") with reference to irrevocable Letter of Credit No. _____ (the "LOC") (any capitalized term used herein and not defined shall have the meaning set forth in the LOC) issued, in favor of the Collateral Agent that:

1. The Collateral Agent is the Collateral Agent under the Security Agreement.

2. A Responsible Officer of the Collateral Agent has obtained knowledge that the shortterm debt rating of the Downgraded LOC Issuer has been reduced, suspended or withdrawn and the Rating Agencies have not confirmed that the then current rating of the Commercial Paper will not be reduced, suspended or withdrawn by such Rating Agencies because of such reduction, suspension or withdrawal of such rating of the Downgraded LOC Issuer.

3. The undersigned hereby requests payment of a Special Drawing under the LOC in the amount of $_____, which amount equals the Downgraded LOC Issuer's Percentage of the LOC Commitment on the Business Day preceding the date hereof, as specified in the Daily Report or Settlement Statement delivered by the Servicer pursuant to Section 3.04 of the Pooling and Servicing Agreement (and after giving effect to any contemporaneous drawings under the LOC being made with respect to the related Settlement Date or Payment Date).

4. All amounts received by the Collateral Agent from the Downgraded LOC Issuer in respect of this certificate shall be deposited in the LOC Escrow Account and applied in accordance with Section 2.03 of the LOC Reimbursement Agreement.

IN WITNESS WHEREOF, the Collateral Agent has executed and delivered this certificate as of this _____ day of _____, 19__.

CHEMICAL BANK, as Collateral Agent

By: _____
Authorized Signatory

ANNEX C TO

LETTER OF CREDIT NO.

CERTIFICATE FOR THE TERMINATION
OF LETTER OF CREDIT NO. _____

[Name of LOC Issuer]
[Address]

Attention:

The undersigned, a duly authorized officer of Chemical Bank (the "Collateral Agent"), hereby certifies to [Name of LOC Issuer], with reference to Irrevocable Letter of Credit No. _____ (the "LOC"; any capitalized terms used herein and not defined shall have the meaning set forth in the LOC) issued by [Name of LOC Issuer] in favor of the Collateral Agent, that the LOC shall terminate on [Date of Termination]. Accordingly, we herewith return to you for cancellation the LOC, which is terminated, as of the date hereof, pursuant to its terms.

Dated: _____

CHEMICAL BANK, as Collateral Agent

By: _____
Authorized Officer

ANNEX D TO

LETTER OF CREDIT NO. _____

_____, 19__

[Name of LOC Issuer]
[Address]

Re: Irrevocable Letter of Credit No. _____

Gentlemen:

For value received, the undersigned beneficiary hereby irrevocably transfers to:

_____
(Name of Transferee)

_____
(Address)

all rights of the undersigned beneficiary to draw under the above-captioned Letter of Credit (the "LOC"). The transferee has succeeded the undersigned as Collateral Agent under the Security Agreement (as defined in the LOC).

By: this transfer, all rights of the undersigned beneficiary in the LOC are transferred to the transferee and the transferee shall hereafter have the sole rights as beneficiary thereof, including sole rights relating to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised direct to the transferee without necessity of any consent of or notice to the undersigned beneficiary.

The transferee hereby directs you to make all payments of drafts drawn by it under the LOC in immediately available funds to account number _____ at _____.

We ask you to endorse the transfer on the reverse thereof, and forward it directly to the transferee with your customary notice of transfer.

Yours very truly,

SIGNATURE AUTHENTICATED

_____ _____
(Bank) Signature of Beneflclary

_____
(Authorized Signature)

SIGNATURE AUTHENTICATED

_____ _____
(Bank) Signature of Transferee

_____
(Authorized Signature)

Schedule 1

Percentage of LOC Commitment

Chemical Bank	77.1430%
NationsBank of North Carolina, N.A.	11.4285%
The Bank of Nova Scotia	11.4285%

Schedule 2

Notices

NATIONSBANK OF NORTH CAROLINA, N.A.

NationsBank of North Carolina, N.A.
One NationsBank Plaza
Charlotte, North Carolina 28255
Attention: Corporate Lending Support,
Elizabeth A. Garver
Telephone: 704-386-8382
Telecopy: 704-386-8694

with a copy to

NationsBank of North Carolina, N.A.
One NationsBank Plaza
Fifth Floor
Nashville, TN 37239-1697
Attention: Samuel J. Belk, Vice President
Telephone: 615-749-3862

Telecopy: 615-749-4112

THE BANK OF NOVA SCOTIA

The Bank of Nova Scotia
Atlanta Agency
#55 Park Place
Suite 650
Atlanta, GA 30303
Attention: Patrick M. Brown, Representative
Telephone: 404-581-0807
Telecopy: 404-525-3833

CHEMICAL BANK

Notices pertaining to funding or payment obligations of Chemical:

Chemical Bank
270 Park Avenue, 10th Floor
New York, New York 10017
Attention: Andrew Stasiw
Telephone: 212-270-3867
Telecopy: 212-682-8937

All other notices to:

Chemical Bank
270 Park Avenue, 10th Floor
New York, New York 10017
Attention: John D. Mindnich, Jr., Vice President

Telephone: 212-270-3637
Telecopy: 212-270-3279

Schedule 3

Initial Participants

The Industrial Bank of Japan, Limited,
Atlanta Agency
NBD Bank, N.A.
First American National Bank
First Bank National Association
DG Bank
The First National Bank of Louisville
Third National Bank
Credit Lyonnais Atlanta/
Credit Lyonnais Cayman Island Branch
Bank of Scotland
ABN AMRO Bank N.V.
Generale Banque, New York Branch

LIQUIDITY AGREEMENT

Dated as of February 10, 1993

Among

DISTRIBUTION FUNDING CORPORATION,
INGRAM FUNDING INC.,
INGRAM INDUSTRIES INC.,
THE BANKS NAMED HEREIN

and

CHEMICAL BANK,
as Liquidity Agent

with

THE BANK OF NOVA SCOTIA,
NATIONSBANK OF NORTH CAROLINA, N.A. and
THE INDUSTRIAL BANK OF JAPAN, LIMITED., ATLANTA AGENCY,
as Lead Managers

TABLE OF CONTENTS

ARTICLE VI

Conditions Precedent

ARTICLE VII

Covenants

ARTICLE VIII

Events of Default

ARTICLE IX

Representations and Warranties

ARTICLE X

Miscellaneous

SCHEDULE 3 List of Initial Participants

ANNEX X Definitions

LIQUIDITY AGREEMENT dated as of February 10, 1993, among DISTRIBUTION FUNDING CORPORATION, a Delaware corporation (the "CP Issuer"), INGRAM FUNDING INC., a Delaware corporation (the "Transferor" or "Funding"), INGRAM INDUSTRIES INC., a Tennessee corporation ("Ingram"), the banks from time to time parties hereto (each, together with its successors and assigns, a "Bank" and collectively, together with their successors and assigns, the "Banks") and CHEMICAL BANK, as agent for the Banks (together with its successors and assigns in such capacity, the "Liquidity Agent"), with The Bank of Nova Scotia, NationsBank of North Carolina, N.A. and the Industrial Bank of Japan, Limited, Atlanta Agency, as Lead Managers.

WHEREAS, the CP Issuer proposes to issue and sell its promissory notes in the commercial paper market and to utilize the net proceeds thereof to acquire from the Transferor the Variable Funding Certificate issued by Ingram Funding Master Trust pursuant to a Pooling and Servicing Agreement dated as of February 10, 1993 among the Transferor, as Transferor, Ingram, as Servicer, and Chemical Bank, as Trustee;

WHEREAS, as a condition to the CP Issuer's acquisition of the Variable Funding Certificate, the Transferor has made application to the Banks for the commitment of the Banks to make loans to the CP Issuer, the proceeds of which shall be used in accordance with Section 4.03;

WHEREAS, Ingram has conveyed the Receivables supporting the Variable Funding Certificate to the Transferor (prior to the Transferor's conveyance of such Receivables to the Trust), will act as Servicer thereof, and is willing to make certain agreements for the benefit of the Banks as provided herein; and

WHEREAS, subject to the terms and conditions set forth herein, the Banks are willing to make loans to the CP Issuer.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I

Definitions and Accounting Terms

SECTION 1.01 Definitions. All capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in Annex X annexed hereto.

SECTION 1.02 Accounting and Financial Determinations. (a) Unless otherwise specified, all accounting terms used herein or in any other Facilities Document shall be interpreted, and all accounting determinations and computations hereunder or thereunder shall be made, in accordance with those U.S. generally accepted accounting principles ("GAAP") as applied in the preparation of the financial statements of Ingram and its consolidated Subsidiaries or of the CP Issuer as the case may be.

(b) If, after the Closing Date, there shall be any change to Ingram's fiscal year, or any modification in GAAP used in the preparation of the financial statements delivered pursuant to the Facilities Documents (whether such modification is adopted or imposed by FASB, the American Institute of Certified Public Accounts, the U.S. Securities and Exchange Commission or any other professional or governmental body) which changes result in a change in the method of calculation of financial covenants, standards or terms found in this Agreement, the parties hereto agree promptly to enter into negotiations in order to amend such financial covenants, standards or terms so as to reflect equitably such changes, with the desired result that the evaluations of Ingram or, as the case may be, any of its affiliates' financial condition shall be the same after such changes as if such changes had not been made; provided, however, that until the parties hereto have reached a definitive agreement on such amendments, Ingram's or, as the case may be, each such affiliates' financial condition shall continue to be evaluated on the same principles as those used in the preparation of the financial statements previously delivered pursuant to the Facilities Documents.

ARTICLE II

Commercial Paper Operations

SECTION 2.01 Issuance of Commercial Paper.

(a) Subject to the provisions of this Agreement and the other Facilities Documents, the CP Issuer may, from time to time on or after the Closing Date and prior to the fifth Business Day preceding the latest Expiration Date then in effect, issue and sell Commercial Paper. Notwithstanding the foregoing, if the CP Issuer, the CP Dealer and the Depositary are in receipt of instructions then in effect from the Liquidity Agent, given in accordance with this Section 2.01(a), not to issue or deliver Commercial Paper because (i) the Liquidity Commitment shall have been terminated hereunder pursuant to Section 4.01(a) or 4.01(b), (ii) the Liquidity Commitment is otherwise terminated in whole for any reason in

accordance herewith, (iii) the issuance of Commercial Paper is prohibited by the provisions of Section 5.03, (iv) the conditions precedent specified in Section 6.02 with respect to the issuance of Commercial Paper have not been satisfied, or (v) the rating by S&P or Fitch on the Commercial Paper shall be withdrawn or reduced below A-1 or F-1, respectively (provided, that if such reduction or withdrawal results from the withdrawal or downgrading of a Bank's rating by S&P or Fitch, the CP Issuer shall not be prohibited from issuing Commercial Paper pursuant to this clause (v) until the 60th day after the first date on which such rating of such Bank was withdrawn or downgraded, and then only if during such period the rating(s) on the Commercial Paper so withdrawn or reduced shall not have been restored); then, in all cases described in (i) through (v) above, the CP Issuer shall, in addition to any other prohibition contained herein or in any other Facilities Document, be prohibited from issuing Commercial Paper and shall not issue Commercial Paper, other than (1) all Commercial Paper sold by the CP Dealer prior to the receipt of such instructions from the Liquidity Agent, (2) Commercial Paper sold after receipt of instructions from the Liquidity Agent in accordance with Section 4(e) of the CP Dealer Agreement after the time of receipt of such instructions and (3) the Commercial Paper sold in compliance with the parenthetical in clause (v) above; provided, that the Liquidity Agent shall have no obligation to deliver any such instructions except promptly upon the instructions of the Required Banks; provided, further, that any delivery by the Liquidity Agent of any such Instructions shall be subject to the provisions of Section 10.13(c). Any instructions from the Liquidity Agent to the CP Issuer, the CP Dealer and the Depositary in accordance with this Section 2.01(a) shall specify one or more of the events described in clauses (i) through (v) as being the reason(s) to cease issuing and delivering Commercial Paper. The Liquidity Agent agrees that it shall only instruct the CP Issuer, the CP Dealer and the Depositary not to issue and sell Commercial Paper if there shall have occurred one or more of the events described in clauses (i) through (v) of this Section 2.01(a). Additionally, if the CP Issuer has actual knowledge that one or more of the events described in clauses (i) through (v) above has occurred, the CP Issuer agrees that it shall not sell or issue Commercial Paper, unless the CP Issuer shall have notified the Liquidity Agent of the occurrence of such event and the Liquidity Agent (as directed by the Required Banks) shall not have instructed the CP Issuer, the Depositary and the CP Dealer to cease issuing Commercial Paper. Concurrently with the giving of any such instructions to the CP Issuer, the CP Dealer, and the Depositary, the Liquidity Agent shall give notice thereof to the Collateral Agent, the Trustee, the Transferor and the Rating Agencies known to it to have provided investment ratings with respect to the Commercial Paper, but failure to do so shall not impair the effectiveness of such instructions.

(b) The CP Issuer agrees that each note constituting Commercial Paper shall (i) be in the form of Exhibit A to the Depositary Agreement and be completed in accordance with this Agreement and the Depositary Agreement, (ii) be dated the date of issuance thereof, (iii) be made payable to the order of a named payee or bearer, (iv) subject to the penultimate sentence of this Section 2.01(b), have a maturity date which shall not be later than the fifth Business Day prior to the latest Expiration Date then in effect, (v) have a CP Matured Value of $250,000 or an integral multiple of $1,000 in excess of S250,000 and (vi) be exempt from the registration requirements of the Securities Act pursuant to Section 4(2) thereof; provided, that no issuance of Commercial Paper shall be made if, after giving effect to such issuance and the use of the proceeds thereof, Advances would exceed the sum of (i) the Available Liquidity Commitment and (ii) the Capitalized Interest Component on the date of issuance; provided, further, that no issuance of Commercial Paper shall be made if, after giving effect to such issuance and the use of the proceeds thereof, the sum of (i) Advances and (ii) the Interest Component of all Outstanding Commercial Paper would exceed the Adjusted Liquidity Commitment; and provided, further, (i) that no Commercial Paper shall have a maturity date later than the 180th day next succeeding the date of issuance of such Commercial Paper, and (ii) on any day no more than 75% of all Outstanding Commercial Paper shall have a maturity date of later than the 90th day next succeeding such date. If any Bank has notified the Liquidity Agent pursuant to Section 4.02(a) hereof that such Bank will not extend its Percentage of the Liquidity Commitment beyond the Expiration Date then in effect with respect to such Bank and such Bank has not been replaced by the CP Issuer, then (A) the Aggregate CP Matured Value of Outstanding Commercial Paper maturing on or after such Expiration Date shall not exceed the Adjusted Liquidity Commitment then in effect minus such Bank's Percentage thereof (the "Reduced Commitment Amount") and (B) in connection therewith, during the period commencing on the 60th day prior to such Expiration Date and ending on such Expiration Date, the CP Issuer shall manage the issuance and maturities of the Commercial Paper such that the Aggregate CP Matured Value of Outstanding Commercial Paper during such 60-day period shall be gradually reduced to less than or equal to the Reduced Commitment Amount. Subject to the provisions of the Depositary Agreement, all Commercial Paper shall be delivered and issued against payment therefor in immediately available funds on the date of issuance, and otherwise in accordance with the terms of this Agreement and the Depositary Agreement.

SECTION 2.02 Commercial Paper Account; Payment of Commercial Paper. Contemporaneously with the execution and delivery by the CP Issuer of the Depositary Agreement, and for the purposes of this Agreement, the Security Agreement and of the Depositary Agreement, the Depositary shall establish at its corporate trust office in the City of New York a segregated trust account for the exclusive benefit of the holders of the outstanding Commercial Paper (said account being referred to herein and in the Depositary Agreement as the Commercial Paper Account"), over which the Depositary shall have exclusive control and sole right of withdrawal. Proceeds of the sale of Commercial Paper shall be deposited in the Commercial Paper Account only to the extent necessary to pay matured and

concurrently maturing Commercial Paper, whether or not presented to the Depositary for payment; otherwise proceeds of the sale of Commercial Paper shall be deposited in the Collateral Account and applied according to the terms of the Security Agreement.

ARTICLE III

Loans

SECTION 3.01 The Revolving Loans and the Refunding Loans; LOC Disbursements.

(a) Subject to and upon the terms and conditions herein set forth, each Bank severally agrees at any time and from time to time prior to (i) the Amortization Period Commencement Date with respect to the Variable Funding Certificate, to make Revolving Loans to the CP Issuer (provided, that no Revolving Loan shall be made as a C/D Rate Loan or a Eurodollar Rate Loan after the day that is 30 days or one month, respectively, prior to-any known Amortization Period Commencement Date) and (ii) the Expiration Date then applicable to it, to make Refunding Loans to the CP Issuer, which Loans may be repaid and reborrowed in accordance with the provisions hereof and shall be made by the Banks pro rata on the basis of their respective Percentages. Notwithstanding anything to the contrary contained herein or in any writing delivered pursuant hereto, none of the Banks shall be committed or obligated to make any Non-Rata Loans to the CP Issuer at any time and the decision to make any Non-Rata Loan shall be within the sole and absolute discretion of each of the Banks. Any Non-Rata Loans that are made shall reduce the total amount available for Loans under the Liquidity Commitment, but shall not reduce the commitment of any Bank other than the Bank making the Non-Rata Loan.

(b) No Bank shall be required to make a Revolving Loan on any day if such amount could be obtained through the issuance of Commercial Paper on such day having an implied annual rate of interest less than the sum of the Base Rate plus five percent on such day or to the extent that the principal amount of such Revolving Loan would exceed, after giving effect to such Revolving Loan and the use of the proceeds thereof, an amount equal to such Bank's Percentage of the Unutilized Liquidity Commitment; provided, that no Bank shall be required to make a Revolving Loan if, after giving effect to such Revolving Loan, the aggregate principal amount of such Bank's Loans (including Refunding Loans) would exceed such Bank's Percentage of the Adjusted Liquidity Commitment.

(c) No Bank shall be required to make a Refunding Loan on any day to the extent that, after giving effect to such Refunding Loan and the use of the proceeds thereof, the principal amount of such Refunding Loan, together with (i) the aggregate principal amount of such Bank's Percentage of all other outstanding Loans (exclusive of Non-Rata Loans), (ii) the principal amount of Non-Rata Loans outstanding from such Bank, and (iii) such Bank's pro rata portion (determined by reference to its Percentage) of the Principal Component of Outstanding Commercial Paper would exceed the sum of

(A) such Bank's Percentage of (1) the Available Liquidity Commitment plus (2) the Capitalized Interest Component on the date of the making of such Refunding Loan,

(B) the lesser of (i) the excess of the Transferor Minimum Amount over the Transferor Eligible Amount on such day, and (ii) the amount of Credits on such day, and

(C) Specified Eligible Receivables on such day (without duplication of amounts included under clause (B) above);

provided, that no Bank shall be required to make a Refunding Loan if, after giving effect to such Loan and the use of the proceeds thereof, the aggregate principal amount of such Bank's Loans (including Revolving Loans) would exceed such Bank's Percentage of the Adjusted Liquidity Commitment. For purposes of this Section 3.01(c), "Specified Eligible Receivables" means at any day of calculation the aggregate amount of Principal Receivables which are not Adjusted Eligible Principal Receivables on such day but which were counted as Adjusted Eligible Principal Receivables on the date on which any Loan or Commercial Paper maturing on such day of calculation was made or issued (excluding Principal Receivables which have been paid or which have become Defaulted Receivables). On any day on which a Refunding Loan shall be requested, if the amount calculated under (A) above is insufficient to permit such Refunding Loan to be made for the full amount requested, the Liquidity Agent shall immediately determine and advise the Banks as to the existence of amounts, if any, under subparagraph (B) or (C) above.

(d) All Charge-Off Drawings made under the LOCs shall be applied to reduce outstanding Advances (which application shall be deemed to be simultaneous) so that, after giving effect to the application of the proceeds of any Charge-Off Drawing, outstanding Advances together with the aggregate outstanding LOC Disbursements shall not exceed the Liquidity Commitment.

SECTION 3.02 Revolving Loans. (a) The CP Issuer shall give the Liquidity Agent at the Notice Office written notice substantially in the form of Exhibit G hereto (a "Notice of Revolving Borrowing") of each Borrowing to be comprised of Revolving Loans, no later than 11:00 a.m. (New York City time) (a) three Working Days prior to the proposed date of such Borrowing, if all or any part of the requested Revolving Loans are to be initially Eurodollar Loans, (b) two Business Days prior to the proposed date of such Borrowing, if all or any part of the requested Revolving Loans

are to be initially C/D Rate Loans, or (c) on the proposed date of such Borrowing, if all of the requested Revolving Loans are to be initially Base Rate Loans. Each Notice of Revolving Borrowing shall specify (i) the principal amount of such Borrowing, which shall be equal to (x) in the case of Base Rate Loans, $5,000,000 or a whole multiple of $1,000,000 in excess thereof (or, if the then Available Liquidity Commitment is less than $5,000,000, such lesser amount) and (y) in the case of Eurodollar Loans or C/D Rate Loans, $10,000,000 or a whole multiple of $1,000,000 in excess thereof, (ii) the date of such Borrowing (which shall be a Business Day, in the case of Domestic Dollar Loans, or a Working Day, in the case of Eurodollar Loans), (iii) that the Commercial Paper market is unavailable to the CP Issuer or that the imputed annual rate of interest for Commercial Paper Notes that could have been issued on the date of the Notice of Revolving Borrowing would have been in excess of the sum of the Base Rate plus five per cent, (iv) that such Borrowing is to be a Revolving Borrowing, (v) whether the Borrowing is to be of Eurodollar Loans, Base Rate Loans, C/D Rate Loans or a combination thereof and (vi) if the Borrowing is to be entirely or partly of Base Rate Loans, Eurodollar Loans or C/D Rate Loans, the respective amounts of each such Type of Loan and the respective lengths of the initial Interest Periods therefor. Subject to and upon the terms and conditions herein set forth each Bank shall make a Revolving Loan in a principal amount equal to its Percentage of the amount requested in such Notice of Revolving Borrowing.

(b) Each Notice of Revolving Borrowing, once given, shall not be revocable by the CP Issuer. The CP Issuer shall also deliver to the Trustee and the Transferor a copy of such notices. The Liquidity Agent shall notify each Bank of its receipt of a Notice of Revolving Borrowing by 12:00 noon (New York City time) on the day such notice is given.

(c) Each outstanding Revolving Loan shall mature on the Expiration Date applicable to the Bank making such Loan; provided, however, that such Revolving Loan made by such Bank shall be prepayable on any Interest Payment Date without breakage costs and any other Business Day in accordance with and upon payment of the breakage costs required by Sections 3.16 and 5.02.

(d) No Revolving Loan shall be made on or after the Amortization Period Commencement Date. Any Revolving Loan outstanding on the Amortization Period Commencement Date, if not repaid in full upon the expiration of the then Interest Period applicable thereto, shall be refinanced with a Refunding Loan.

SECTION 3.03 Refunding Loans. (a) If, on any Business Day that Commercial Paper matures, the amount required to pay in full the CP Matured Value of all Commercial Paper maturing on such day is more than the sum of (i) the net amount obtained by the maximum issuance of Commercial Paper on such day permitted under this Agreement and the other Facilities Documents plus (ii) the amount available for payment of such Commercial Paper in the Commercial Paper Account and the Collateral Account, after giving effect to all transfers on such Business Day to such accounts required by the Security Agreement (the amount of such excess, the "Commercial Paper Deficit"), the Banks shall, upon the request of the CP Issuer or the Depositary, as attorney-in-fact for the CP Issuer pursuant to Section 5(b) of the Depositary Agreement, in accordance with Section 3.03(b), and subject to and upon the terms and conditions of Section 6.03 and as otherwise herein set forth, make Refunding Loans in an aggregate principal amount equal to the lesser of (i) the Commercial Paper Deficit and (ii) the maximum amount of Refunding Loans able to be made without contravening the provisions of Section 3.01(c). For the purposes of this Section, Commercial Paper maturing on any day which has been paid from an advance made by the Depositary shall nonetheless be deemed to be unpaid. Refunding Loans shall be made only as Base Rate Loans provided, that subject to Section 3.02 and the other conditions thereto provided for in this Agreement, Refunding Loans may be refinanced with Revolving Loans.

(b) The CP Issuer or the Depositary, as attorney-in-fact for the CP Issuer pursuant to Section 5(b) of the Depositary Agreement, shall give the Liquidity Agent telephonic notice promptly confirmed in writing at the Notice Office substantially in the form of Exhibit H hereto (a "Notice of Refunding Borrowing") of each Borrowing that is to be comprised of Refunding Loans. Each such Notice of Refunding Borrowing shall set forth (i) the aggregate principal amount of such Borrowing and (ii) that such Borrowing is to be a Refunding Borrowing. Subject to and upon the terms and conditions hereof, each Bank shall make a Refunding Loan in a principal amount equal to its Percentage of the amount requested in such Notice of Refunding Borrowing (x) if such Notice of Refunding Borrowing is received by the Liquidity Agent prior to 12:00 noon (New York City time) on any Business Day, on such Business Day, and (y) if such Notice of Refunding Borrowing is not received by the Liquidity Agent prior to 12:00 noon (New York City time) on any Business Day, on the Business Day next succeeding such Business Day.

(c) Each Notice of Refunding Borrowing, once given, shall not thereafter be revocable by the CP Issuer. The Liquidity Agent shall also deliver to the Trustee and the Transferor a copy of such notices. The Liquidity Agent shall notify each Bank of its receipt of a Notice of Refunding Borrowing by 12:30 p.m., New York City time, on the day such notice is given.

(d) Each outstanding Refunding Loan and Non-Pro Rata Refunding Loan made by a Bank shall mature on the Expiration Date for such Bank; provided, however that such Refunding Loan and Non-Pro Rata Refunding Loan shall be prepayable (or refinanceable) at any time in accordance herewith.

(e) If, on the fifth Business Day prior to the Expiration

Date with respect to any Bank which has notified the Liquidity Agent that it will not extend its Percentage of the Liquidity Commitment pursuant to Section 4.02(a) and if, notwithstanding the penultimate sentence of Section 2.01(b), the Aggregate CP Matured Value of Commercial Paper Outstanding on such fifth prior Business Day exceeds the Reduced Commitment Amount, as defined in such penultimate sentence, (such excess, the "Reduced Commitment Excess") then, in accordance with the time periods contained in this Section 3.03, the CP Issuer or the Depositary as its attorney-in-fact shall request of the Liquidity Agent a Refunding Loan to be made by each such Exiting Bank (a "Non Pro-Rata Refunding Loan") in an amount equal to such Exiting Bank's allocable share (relative to other Banks, if any, not extending their respective Percentages of the Liquidity Commitment based on their respective existing Percentages of the Liquidity Commitment) of such Reduced Commitment Excess to be made on such fifth prior Business Day. Such notice shall be given by telephone, promptly confirmed in writing, and shall be substantially in the form of Exhibit H hereto with appropriate modifications. The Liquidity Agent shall, by 12:30 p.m., New York City time, notify each Bank which is to make a Non Pro-Rata Refunding Loan on such day. Each Bank shall make available the proceeds of its Loan in accordance with Section 3.04(b). The Liquidity Agent shall notify the Depositary of the amount, if any, of any such Non-Pro-Rata Refunding Loan made or to be made on such fifth Business Day.

(f) Each Notice of Non Pro-Rata Refunding Borrowing, once given, shall not thereafter be revocable by the CP Issuer. The Liquidity Agent shall also deliver to the Trustee and the Transferor a copy of such notices.

SECTION 3.04 Disbursement of Funds. (a) Not later than 2:30 p.m. (New York City time) on the date specified in each Notice of Revolving Borrowing as the proposed date of the Borrowing, each Bank, so long as such Bank has received notice from the Liquidity Agent in accordance with the final sentence of Section 3.02(b), will notify the Liquidity Agent whether such Bank will make funds available by 3:00 p.m. and will make available in freely transferable U.S. dollars and in immediately available or same day funds its Percentage of such Revolving Loan at the Payment Office by 3:00 p.m. Unless the Liquidity Agent determines that any condition specified in Section 6.02 has not been satisfied, the Liquidity Agent will remit the aggregate of the amounts so made available by the Banks to the Collateral Account not later than 3:00 p.m. (New York City time).

(b) Not later than 2:30 p.m. (New York City time) on the date for a Refunding Loan, each Bank will notify the Liquidity Agent whether such Bank will make funds available by 3:00 p.m. and will, so long as such Bank has received notice from the Liquidity Agent in accordance with the last sentence of Section 3.03(c), make available in freely transferable U.S. dollars and in immediately available or same day funds its Percentage of such Refunding Loan at the Payment Office by 3:00 p.m. Unless the Liquidity Agent determines that any condition specified in Section 3.03(a) or 6.03 has not been satisfied, the Liquidity Agent will promptly remit the aggregate amount of such funds made available by the Banks to the Commercial Paper Account not later than 3:00 p.m. (New York City time).

(c) If any Bank shall not fund a Loan as described in Section 3.04(a) or Section 3.04(b), the Liquidity Agent shall not have any obligation to fund such Loan. Unless the Liquidity Agent shall have received written notice from a Bank prior to the time such Bank is required to make funds available to the Liquidity Agent pursuant to Section 3.04(a) or 3.04(b), as the case may be, that such Bank will not make such funds available to the Liquidity Agent, the Liquidity Agent may (but in no event shall be required to) assume that such Bank has made such funds available to the Liquidity Agent on the date of such payment in accordance with Section 3.04(a) or Section 3.04(b), as the case may be, and the Liquidity Agent may (but in no event shall be required to), in reliance upon such assumption, remit a corresponding amount in accordance with the last sentence of Section 3.04(a) or 3.04(b), as the case may be. If and to the extent such Bank shall not have so made such funds available to the Liquidity Agent, such Bank irrevocably and unconditionally agrees to repay to the Liquidity Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such remittance is made by the Liquidity Agent until the date such amount is repaid to the Liquidity Agent, an amount equal to the product of (i) the daily average federal funds rate during such period as quoted by the Liquidity Agent, times (ii) the amount of such Bank's Percentage of the Borrowing, times (iii) a fraction the numerator of which is the number of days that elapse from and including the Borrowing date to the date on which such Bank's Percentage of such Borrowing shall have become immediately available to the Liquidity Agent and the denominator of which is 360. The failure of any Bank to make a Loan shall not affect the obligation of any other Bank to make a Loan as required hereunder. No Bank shall be responsible for the failure of any other Bank to make any Loan to be made by such other Bank on the date of any Borrowing. A certificate of the Liquidity Agent submitted to any Bank with respect to any amounts owing under this Section 3.04(c) shall be conclusive in the absence of manifest error. If such Bank's Percentage of such Borrowing is not in fact made available to the Liquidity Agent by such Bank within three Business Days of the proposed date of such Borrowing, the Liquidity Agent shall be entitled to recover such amount with interest thereon at the rate per annum applicable to Base Rate Loans hereunder, on demand, from the CP Issuer.

SECTION 3.05 The Loan Notes. The Revolving Loans and Refunding Loans made by each Bank shall be evidenced by a Revolving Loan Note and a Refunding Loan Note, duly executed on behalf of the CP Issuer, in substantially the form attached hereto as Exhibits A and B, respectively, with the blanks appropriately filled, payable to the order of such Bank and each of which shall: (i) be dated the Initial Closing Date; (ii) collectively be in an aggregate principal amount equal to the Liquidity

Commitment and individually be in a principal amount equal to such Bank's Percentage of the Liquidity Commitment; subject, however, to the provisions of such Loan Note to the effect that the principal amount payable thereunder at any time shall not exceed the then unpaid principal amount of all Loans and Non-Rata Loans made by such Bank; (iii) be stated to mature on the Expiration Date; (iv) bear interest as provided in Section 3.06; (v) be payable to the order of such Bank; and (vi) be entitled to the benefits of this Agreement and the Security Agreement. The Notes, amended or supplemented as may be necessary to reflect the terms thereof, shall also evidence all Non-Rata Loans made by such Bank. Each Bank shall, and is hereby authorized to, endorse on the schedule attached to each Loan Note (or on a continuation of such schedule attached to such Loan Note and made a part thereof or otherwise to record in such Bank's internal records), an appropriate notation evidencing the date and the amount of each Loan from such Bank and the date of each payment or prepayment of principal thereon (which notations shall be conclusive in the absence of manifest error) and, prior to any transfer of its Loan Note, such Bank shall endorse the outstanding principal amount of its Loans on the applicable Loan Note on the schedule attached thereto; provided, however, that the failure of any Bank to make such notation or any failure therein shall not affect the obligation of the CP Issuer to repay the Loans made by such Bank in accordance with the terms of this Agreement and the applicable Loan Notes or otherwise adversely affect such Bank's rights with respect to any Loan.

SECTION 3.06 Interest. (a) The CP Issuer agrees to pay interest in respect of the unpaid principal amount of each Loan from the date the proceeds thereof are made available to the CP Issuer until maturity (whether by acceleration or otherwise), at a rate per annum which shall equal (x) in the case of a Refunding Loan the Base Rate plus the Applicable Margin and (y) in the case of a Revolving Loan a rate equal to (at the option of the CP Issuer): (i) the Base Rate plus the Applicable Margin, (ii) the C/D Rate plus the Applicable Margin or (iii) the Eurodollar Rate plus the Applicable Margin.

(b) If all or a portion of (i) the principal amount of any Loan or (ii) any interest payable thereon shall not be paid when due (whether at the Expiration Date with respect to a Bank, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to (x) in the case of overdue principal, the Post-Default Rate or (y) in the case of overdue interest, 2% above the Base Rate plus the Applicable Margin, in each case from the date of such non-payment until such amount is paid in full (both before and after judgment).

(c) Interest on each Loan shall be payable in arrears on each Interest Payment Date applicable thereto, at maturity and upon payment (including prepayment) in full thereof, provided that interest payable pursuant to paragraph (b) of this subsection shall be payable on demand.

SECTION 3.07 Commitment Fees. The CP Issuer agrees to pay to the Liquidity Agent, for the account of each Bank pro rata in accordance with its Percentage (i) on the Initial Closing Date a commitment fee equal to 0.10% of the Liquidity Commitment minus the LOC Commitment and (ii) quarterly thereafter beginning on the Settlement Date following the third month anniversary of the Initial Closing Date and on the date on which the Liquidity Commitment shall be terminated as provided herein, a commitment fee of 0.375% per annum, payable in arrears, on the average daily amount of the Liquidity Commitment minus the LOC Commitment less the average daily amount of the Loans (plus the amount of any Non-Rata Loans) outstanding during the preceding three Settlement Periods (or longer or shorter period, as the case may be, with respect to the first and last payment under clause (ii) above); provided, that Non-Rata Loans made by any Bank shall be allocated only to such Bank in reduction of the commitment fee payable to such Bank. All fees shall be computed on the basis of the actual number of days elapsed in a year of 365/366 days. The fees due to the Banks under clause (ii) of the preceding sentence shall commence to accrue on the Initial Closing Date, shall cease to accrue on the earlier of the Expiration Date and the termination of the Liquidity Commitment as provided herein, and shall be paid in accordance with Section 9 of the Security Agreement.

SECTION 3.08 Minimum Amounts of Tranches. All borrowings, conversions and continuations of Loans hereunder and all selections of Interest Periods hereunder shall be in such amounts and be made pursuant to such elections so that, after giving effect thereto, the aggregate principal amount of the Revolving Loans comprising (i) each Eurodollar Tranche shall be equal to $10,000,000 or a whole multiple of $1,000,000 in excess thereof, (ii) each C/D Rate Tranche shall be equal to $10,000,000 or a whole multiple of $1,000,000 in excess thereof and (iii) each Base Rate Loan shall be equal to $5,000,000 or whole multiples of $1,000,000 in excess thereof.

SECTION 3.09 Requirements of Law. (a) In the event that any Regulatory Change:

(i) shall subject any Bank or its Domestic Lending Office or Eurodollar Lending Office to any tax of any kind whatsoever with respect to this Agreement, any Note or any Eurodollar Loan or C/D Rate Loan made by it, or changes the basis of taxation of payments to such Bank or its Domestic Lending Office or Eurodollar Lending Office in respect thereof (except for taxes covered by Section 3.10 and changes in the rate of tax on the overall net income of such Bank);

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by or for the account of, any office of such Bank which is not otherwise

included in the determination of the LIBO Rate or the C/D Rate hereunder; or

(iii) shall impose on such Bank or its Domestic Lending Office or Eurodollar Lending Office any other condition;

and the result of any of the foregoing is to increase the cost of such Bank or its Domestic Lending Office or Eurodollar Lending Office, by an amount which such Bank deems to be material, of making, converting into, continuing or maintaining Eurodollar Loans or C/D Rate Loans, or to reduce any amount receivable by it in respect of its Eurodollar Loans or C/D Rate Loans, then, in any such case (unless such Bank has been compensated for such increase or reduction by an increase in interest or otherwise by Regulatory Change), provided that, in accordance with Section 10.12, all payment obligations of the CP Issuer with respect to Commercial Paper, Loan Notes and LOC Disbursements attributable to Refunding Drawings are then satisfied or provided for, the CP Issuer shall promptly pay such Bank, upon its demand (a copy of such request, describing such Regulatory Change and setting forth a calculation of such additional cost or reduction to be sent by such Bank to the CP Issuer and the Liquidity Agent), any additional amounts necessary to compensate such Bank for such additional cost or reduced amount receivable as determined by such Bank. If any Bank becomes entitled to claim any additional amounts pursuant to this Section 3.09, it shall promptly notify the CP Issuer, through the Liquidity Agent, of the event by reason of which it has become so entitled. A certificate as to any additional amounts payable pursuant to this Section 3.09(a) submitted by an officer of a Bank, through the Liquidity Agent, to the CP Issuer shall be rebuttable presumptive evidence of the amount due. If any Bank requests payment of increased costs from the CP Issuer, such Bank shall, upon request of the CP Issuer, use reasonable efforts to change its Domestic Lending Office or Eurodollar Lending Office, as the case may be, for the purpose of minimizing such increased costs; provided that nothing herein shall obligate such Bank to change its Domestic Lending Office or Eurodollar Lending Office, as the case may be, or to take any other steps, which the Bank considers in its sole judgment to be adverse to its interests. This covenant shall survive the termination of this Agreement and the payment of the Loan Notes and all other amounts payable hereunder.

(b) In the event that any Bank shall have determined that any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Bank or any corporation controlling such Bank with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority made subsequent to the date hereof does or shall have the effect of reducing the rate of return on such Bank's or such corporation's capital as a consequence of its obligations hereunder to a level below that which such Bank could have achieved but for such change or compliance (taking into consideration such Bank's or such corporation's policies with respect to capital adequacy) by any amount deemed by such Bank to be material, then from time to time, within 15 days after demand by such Bank (with a copy to the Liquidity Agent), provided that, in accordance with Section 10.12, all payment obligations of the CP Issuer with respect to Commercial Paper, Loan Notes and LOC Disbursements attributable to Refunding Drawings are then satisfied or provided for, the CP Issuer shall pay to such Bank such additional amount or amounts as will compensate such Bank for such reduction. A certificate as to any additional amounts payable pursuant to this Section 3.09(b) submitted by an officer of such Bank shall be rebuttable presumptive evidence of the amount due. If the CP Issuer becomes obligated to pay additional amounts described in this Section 3.09(b) as a result of any condition described in this Section 3.09(b) and payment of such amount is demanded by any Bank, then the CP Issuer may, on ten Business Days' prior written notice to the Liquidity Agent and such Bank, cause such Bank to (and such Bank shall) assign pursuant to Section 10.05 all of its rights and obligations under this Agreement to a bank or financial institution selected by the CP Issuer, provided that in no event shall the assigning Bank be required to pay or surrender to such purchasing Bank or other bank or financial institution any of the fees received by such assigning Bank pursuant to this Agreement.

(c) In the event that the CP Issuer shall be required to pay additional amounts pursuant to Sections 3.09(a) or (b) above and any Bank shall receive, after the payment of such additional amounts to it by the CP Issuer, a tax credit or benefit relating to the event which required the CP Issuer to pay such additional amounts, the CP Issuer shall be reimbursed by such Bank in an amount equal to such tax credit or benefit; provided, however, that such amount shall not exceed the additional amount paid to such Bank by the CP Issuer.

SECTION 3.10 Taxes. (a) All payments made by the CP Issuer under this Agreement and the Loan Notes shall be made free and clear of, and without reduction 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, excluding, in the case of the Liquidity Agent and each Bank, net income and franchise taxes based upon net income imposed on the Liquidity Agent, or such Bank, as the case may be, by the jurisdiction under the laws of which it is organized or in which is located any office from or at which such Bank is making or maintaining its Loans, or any political subdivision or taxing authority thereof or therein (all such non-excluded taxes, levies, imposts, duties, charges, fees, deductions and withholdings being hereinafter called Taxes). If any Taxes are required to be withheld from any amounts payable to the Liquidity Agent or any Bank hereunder or under the Loan Notes, provided that, in accordance with Section 10.12, all payment obligations of the CP Issuer with respect to

Commercial Paper, Loan Notes and LOC Disbursements attributable to Refunding Drawings are then satisfied or provided for, the amounts so payable to the Liquidity Agent or such Bank shall be increased to the extent necessary to yield to the Liquidity Agent or such Bank (after payment of all Taxes) interest or any other amounts payable hereunder at the rates or in the amounts specified in this Agreement and the Notes. Whenever any Taxes are payable by the CP Issuer, as promptly as possible thereafter the CP Issuer shall send to the Liquidity Agent for its own account or for the account of such Liquidity Agent or Bank, as the case may be, a certified copy of the original official receipt, if any, received by the CP Issuer showing payment thereof. If the CP Issuer fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to the Liquidity Agent the required receipts or other required documentary evidence, the CP Issuer shall, subject to Section 10.12, indemnify the Liquidity Agent and the Banks for any incremental taxes, interest or penalties that may become payable by the Liquidity Agent or any Bank as a result of any such failure. The agreements in this subsection shall survive the termination of this Agreement and the payment of the Loan Notes and all other amounts payable hereunder.

(b) Each Bank that is not incorporated under the laws of the United States of America or a state thereof agrees that prior to the Closing Date it will deliver to the CP Issuer and the Liquidity Agent (i) two duly completed copies of United States Internal Revenue Service Form 1001 or 4224 or successor applicable form, as the case may be, or (ii) an Internal Revenue Service Form W-8 or W-9, as applicable, or successor applicable form. Each such Bank also agrees to deliver to the CP Issuer and the Liquidity Agent two further copies of the said Form 1001 or 4224 or Form W-8 or W-9, as applicable, or successor applicable forms or other manner of certification, as the case may be, on or before the date that any such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form previously delivered by it to the CP Issuer and the Liquidity Agent, and such extensions or renewals thereof as may reasonably be requested by the CP Issuer or the Liquidity Agent. Such Bank shall certify (i) in the case of a Form 1001 or 4224, that it is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, unless in any such case an event (including, without limitation, any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Bank from duly completing and delivering any such form with respect to it and such Bank advises the CP Issuer that it is not capable of so receiving payments without any deduction or withholding, or (ii) in the case of a Form W-8 or W-9, that it is entitled to an exemption from United States backup withholding tax.

SECTION 3.11 Computation of Interest and Fees. (a) Interest on Base Rate Loans and the Liquidity Fee shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for actual days elapsed. Interest on Eurodollar Loans and C/D Rate Loans shall be calculated on the basis of a 360-day year for the actual days elapsed. The Liquidity Agent will, as soon as practicable, notify the CP Issuer and the Banks of each determination of a Eurodollar Rate and a C/D Rate. Any change in the interest rate on a Loan resulting from a change in the Base Rate, the C/D Assessment Rate or the C/D Reserve Percentage shall become effective as of the opening of business on the day on which such change in the Base Rate is announced or such change in the C/D Assessment Rate or the C/D Reserve Percentage becomes effective, as the case may be. The Liquidity Agent shall as soon as practicable notify the CP Issuer and the Banks of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Liquidity Agent pursuant to any provision of this Agreement shall be rebuttable presumptive evidence of the correctness of such interest rate.

(c) If any Reference Bank's Percentage of the Liquidity Commitment or all of its Loans shall be assigned for any reason whatsoever, such Reference Bank shall thereupon cease to be a Reference Bank, and, if, as a result of the foregoing, there shall only be one Reference Bank remaining, such remaining Reference Bank (after consultation with Ingram, the CP Issuer, the Banks and the Liquidity Agent) shall, by notice to the CP Issuer, each Bank and the Liquidity Agent (subject to the prior written consent of each of Ingram and the CP Issuer which consent shall not be unreasonably withheld), designate another Bank as a Reference Bank so that there shall at all relevant times be at least two Reference Banks.

(d) Each Reference Bank shall use its best efforts to furnish quotations of rates to the Liquidity Agent as contemplated hereby. If any Reference Bank shall be unable or shall otherwise fail to supply such rates to the Liquidity Agent upon its request, the rate of interest shall, subject to the provisions of Section 3.13, be determined on the basis of the quotation of the remaining Reference Banks.

(e) Supplemental Payments that are not paid within 30 days after a demand has been made therefor pursuant to this Agreement shall accrue interest at a rate per annum equal to the Base Rate, payment of which interest may be made only if, in accordance with Section 10.12, all payment obligations of the CP Issuer with respect to Commercial Paper, Loan Notes and Refunding Drawings are then satisfied or provided for.

SECTION 3.12 Pro Rata Treatment and Payments. (a) Each borrowing by the CP Issuer of Loans from the Banks hereunder and, except with respect to payments to a Bank pursuant to Section 3.09(b), each payment by the CP Issuer on account of any Loan or fee payable hereunder and any reduction of the Liquidity Commitment of the Banks shall be made pro rata according to the respective Percentages of the Banks.

(b) Whenever any payment received by the Liquidity Agent under

this Agreement or any Note is insufficient to pay in full all amounts then due and payable to the Liquidity Agent and the Banks under this Agreement and the Notes, and the Liquidity Agent has not received a Payment Sharing Notice (or the Liquidity Agent has received a Payment Sharing Notice but the Event of Default specified in such Payment Sharing Notice has been cured or waived), such payment shall be distributed and applied by the Liquidity Agent and the Banks in the following order: first, to the payment of fees and expenses due and payable to the Liquidity Agent under and in connection with this Agreement; second, to the payment of interest then due and payable under the Loan Notes, ratably among the Banks in accordance with the aggregate amount of interest owed to each such Bank; third, to the payment of fees due and payable under Section 3.07, ratably among the Banks in accordance with their Percentages; fourth, to the payment of the principal amount of the Loan Notes which is then due and payable, ratably among the Banks in accordance with the aggregate principal amount owed to each such Bank; and fifth, to the payment of all expenses due and payable under Sections 3.09, 3.10, 3.15, 3.16, 3.18, 5.02 and 10.04, ratably among the Banks in accordance with the aggregate amount of such payments owed to each such Bank.

(c) After the Liquidity Agent has received a Payment Sharing Notice which remains in effect, all payments received by the Liquidity Agent under this Agreement or any other Facilities Document shall be distributed and applied by the Liquidity Agent and the Banks in the following order: first, to the payment of fees and expenses due and payable to the Liquidity Agent under and in connection with this Agreement; second, to the payment of the interest accrued on the principal amount of all of the Loan Notes, regardless of whether any such amount is then due, ratably among the Banks in accordance with the aggregate accrued interest; third, to the payment of fees due and payable under Section 3.07, ratably among the Banks in accordance with their Percentages; fourth, to the aggregate principal amount of the Loan Notes owed to such Bank, regardless of whether any such amount is then due, ratably among the Banks in accordance with the aggregate principal amount owed to each such Bank; and fifth, to the payment of all expenses due and payable under Sections 3.09, 3.10, 3.15, 3.16, 3.18, 5.02 and 10.04, ratably among the Banks in accordance with the aggregate amount of such payments owed to each such Bank.

SECTION 3.13 Inability to Determine Interest Rate. In the event that prior to the first day of any Interest Period:

(a) the Liquidity Agent shall have determined after use of reasonable endeavors (which determination shall be conclusive and binding upon the CP Issuer) that by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the LIBOR Rate or the C/D Rate for such Interest Period, or

(b) the Liquidity Agent shall have received notice from the Required Banks that the LIBOR Rate or the C/D Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Banks (as conclusively certified by such Banks) of making or maintaining their affected Loans during such interest period,
the Liquidity Agent shall give telex, telecopy or telephonic notice thereof to the CP Issuer and the Banks as soon as practicable thereafter. If such notice is given (x) any Eurodollar Loans or C/D Rate Loans, as the case may be, requested to be made on the first day of such Interest Period shall be made as Base Rate Loans, (y) any Revolving Loans that were to have been converted on the first day of such Interest Period to Eurodollar Loans or C/D Rate Loans, as the case may be, shall be converted to or continued as Base Rate Loans and (z) any outstanding Eurodollar Loans or C/D Rate Loans, as the case may be, shall be converted, on the first day of such Interest Period, to Base Rate Loans. Until such notice has been withdrawn by the Liquidity Agent, no further Eurodollar Loans or C/D Rate Loans, as the case may be, shall be made or continued as such, nor shall the CP Issuer have the right to convert Revolving Loans to Eurodollar Loans or C/D Rate Loans, as the case may be.

SECTION 3.14 Downgrading of Banks. If at any time the credit rating assigned to the short-term obligations of any Bank by S&P or Fitch is withdrawn or downgraded below A-1 or F-1, respectively, such Bank shall immediately notify the CP Issuer, the Collateral Agent, the Liquidity Agent, the CP Dealer and the Depositary of such withdrawal or downgrade, and the CP Issuer may, upon five Business Days' prior written notice given to the Trustee, the Transferor, the Depositary, the Liquidity Agent and such affected Bank, either (a) replace such affected Bank with another bank having ratings of at least A-1 assigned by S&P and, if rated by Fitch, F-1 assigned by Fitch, to its short-term obligations or with a Bank already a party to this Agreement whose short-term obligations have been assigned such ratings (and the affected Bank and the replacing bank shall execute an Assignment and Acceptance, which shall provide for a transfer to such replacement bank of the entire Percentage of the Liquidity Commitment and all outstanding Loans of such Bank (if any), and deliver it to the Liquidity Agent and the Depositary), but no such replacement pursuant to this clause (a) shall be effective unless S&P and Fitch shall have confirmed in writing to the CP Issuer and the Liquidity Agent that such replacement would not result in a withdrawal or reduction of the rating by S&P and Fitch of the Commercial Paper below A-1 and F-1, respectively; or (b) subject to compliance with Section 4.01(b), terminate such affected Bank's Percentage of the Liquidity Commitment and reduce the Liquidity Commitment by such amount except that in no event shall any such action under this clause (b) be effective hereunder if the sum of (i) the Aggregate CP Matured Value and (ii) the outstanding principal amount of all Loans hereunder would exceed the Liquidity Commitment as so reduced.

SECTION 3.15 Illegaligy. Notwithstanding any other provision hereunder, if any change in any Requirement of Law or in the interpretation or application thereof shall make it unlawful for any Bank or its Eurodollar Lending Office to make or maintain Eurodollar Loans as contemplated by this Agreement, (a) the commitment of such Bank hereunder to make Eurodollar Loans, continue

Eurodollar Loans as such and convert Domestic Dollar Loans to Eurodollar Loans shall forthwith be canceled and (b) such Bank's Loans then outstanding as Eurodollar Loans, if any, shall be converted automatically to Base Rate Loans on the respective last days of the then current Interest Periods with respect to such Loans or within such earlier period as may be required by law. If any such conversion of a Eurodollar Loan occurs on a day which is not the last day of the then-current Interest Period with respect thereto, the CP Issuer shall pay to such Bank such amounts, if any, as may be required pursuant to Section 3.16 provided that, in accordance with Section 10.12, all payment obligations of the CP Issuer with respect to Commercial Paper, Loan Notes and LOC Disbursements attributable to Refunding Drawings are then satisfied or provided for.

SECTION 3.16 Indemnity. Subject to Section 10.12, the CP Issuer agrees to indemnify each Bank for, and to hold such Bank harmless from, any loss or expense which such Bank may sustain or incur as a consequence of (a) default by the CP Issuer in payment when due of the principal amount of or interest on any Eurodollar Loan or C/D Rate Loan, (b) default by the CP Issuer in making a borrowing of, conversion into or continuance of Eurodollar Loans or C/D Rate Loans after the CP Issuer has given a notice requesting the same in accordance with the provisions of this Agreement or (c) default by the CP Issuer in making any prepayment after the CP Issuer has given a notice thereof in accordance with the provisions of this Agreement, including, without limitation, in each case, any such loss or expense arising from the reemployment of funds obtained by it or from fees payable to terminate the deposits from which such funds were obtained. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by an officer of a Bank, through the Liquidity Agent, to the CP Issuer shall be rebuttable presumptive evidence of the amount due. This covenant shall survive termination of this Agreement and payment of the Loan Notes and all other amounts payable hereunder.

SECTION 3.17 Revolving Loan Conversion and Continuation Options. (a) With respect to Revolving Loans outstanding, the CP Issuer may elect from time to time to convert Eurodollar Loans or C/D Rate Loans to Base Rate Loans, and/or to convert Eurodollar Loans or Base Rate Loans to C/D Rate Loans, by giving the Liquidity Agent at least two Business Days' prior irrevocable notice of such election, provided that any such conversion of Eurodollar Loans or C/D Rate Loans may only be made on the last day of any Interest Period with respect thereto. The CP Issuer may elect from time to time to convert Base Rate Loans or C/D Rate Loans to Eurodollar Loans by giving the Liquidity Agent at least three Working Days' prior irrevocable notice of such election, provided that any such conversion of C/D Rate Loans may, subject to the third succeeding sentence, only be made on the last day of an Interest Period with respect thereto. Any such notice of conversion to Eurodollar Loans or C/D Rate Loans shall specify the length of the initial Interest Period or Interest Periods therefor. Upon receipt of any such notice the Liquidity Agent shall promptly notify each Bank thereof. If the last day of the then current Interest Period with respect to C/D Rate Loans that are to be converted to Eurodollar Loans is not a Working Day, such conversion shall be made on the next succeeding Working Day, and during the period from such last day to such succeeding Working Day such Loans shall bear interest as if they were Base Rate Loans. All or any part of outstanding Eurodollar Loans, Base Rate Loans and C/D Rate Loans may be converted as provided herein, provided that (i) no Loan may be converted into a Eurodollar Loan or a C/D Rate Loan when any Event of Default has occurred and is continuing and the Liquidity Agent or the Required Banks have determined that such a conversion is not appropriate, (ii) any such conversion may only be made if, after giving effect thereto, Section 3.08 shall not have been contravened and (iii) no Loan may be converted into a Eurodollar Loan or a C/D Rate Loan at the expiration of the then applicable Interest Period with respect thereto if the Amortization Period Commencement Date with respect to the Variable Funding Certificate shall have occurred.

(b) Any Eurodollar Loans or C/D Rate Loans may be continued as such upon the expiration of the then current Interest Period with respect thereto by the CP Issuer giving notice to the Liquidity Agent, in accordance with the applicable provisions of the term "Interest Period" of the length of the next Interest Period to be applicable to such Loans, provided that no Eurodollar Loan or C/D Rate Loan may be continued as such (i) when any Event of Default has occurred and is continuing and the Liquidity Agent or the Required Banks have determined that such a continuation is not appropriate, (ii) if, after giving effect thereto, Section 3.08 would be contravened or (iii) at the expiration of the then applicable Interest Period with respect thereto if the Amortization Period Commencement Date with respect to the Variable Funding Certificate shall have occurred and provided, further, that if the CP Issuer shall fail to give any required notice as described above in this paragraph such Loans shall be automatically converted to Base Rate Loans on the last day of such then expiring Interest Period.

(c) Subject to Section 3.02 and the other conditions thereto provided for in this Agreement, Refunding Loans which are Base Rate Loans may be refinanced with Revolving Loans which shall then be subject to this Section 3.17.

SECTION 3.18 Eurodollar Reserve Costs. Provided that, in accordance with Section 10.12, all payment obligations of the CP Issuer with respect to Commercial Paper, Loan Notes and LOC Disbursements attributable to Refunding Drawings are then satisfied or provided for, the CP Issuer agrees to pay to each Bank which requests compensation under this Section 3.18, on the last day of each Interest Period with respect to any Eurodollar Loan made by such Bank, so long as such Bank, together with all other banks similarly situated which maintain loans comparable to such Eurodollar Loan, shall be required to maintain reserves against "Eurocurrency liabilities" under Regulation D of the Board (or, so long as such Bank, together with

such other banks similarly situated, may be required by the Board or by any other Governmental Authority to maintain reserves against any other category of liabilities which includes deposits by reference to which the interest rate on Eurodollar Loans is determined as provided in this Agreement or against any category of extensions of credit or other assets of such Bank (or such other banks) which includes any Eurodollar Loans), an additional amount (determined by such Bank and notified to the CP Issuer) representing such Bank's calculation or, if an accurate calculation is impracticable, reasonable estimate (using such reasonable means of allocation as such Bank shall determine) of the actual costs, if any, incurred by such Bank during such Interest Period as a result of the applicability of the foregoing reserves to such Eurodollar Loans, which amount in any event shall not exceed the product of the following for each day of such Interest Period:

(i) the principal amount of the Eurodollar Loans made by such Bank to which such Interest Period relates outstanding on such day; and

(ii) the difference between (x) a fraction the numerator of which is the Eurodollar Rate (expressed as a decimal) applicable to such Eurodollar Loan and the denominator of which is one minus the maximum rate (expressed as a decimal) at which such reserve requirements are imposed by the Board or other Governmental Authority on such date minus (y) such numerator; and

(iii) a fraction the numerator of which is one and the denominator of which is 360.

A certificate as to amounts payable pursuant to this Section 3.18 submitted by an officer of a Bank to the CP Issuer, through the Liquidity Agent, shall be rebuttable presumptive evidence of the amounts due.

SECTION 3.19 Procedure for Non-Rata Loans. At the CP Issuer's request any Bank may, from time to time, agree to make Non-Rata Loans to the CP Issuer without a ratable Borrowing from any other Bank. The amount, Transaction Rate and fees payable with respect to such Non-Rata Loans, if any, shall be as agreed to from time to time by the CP Issuer and each Bank making a Non-Rata Loan. A Non-Rata Loan shall only reduce the total dollar commitment of the Bank making such Non-Rata Loan.

SECTION 3.20 Procedure for Loans when Non-Rata Loans Outstandinq.

(a) If the CP Issuer requests a Loan at any time when there are Non-Rata Loans outstanding, each Bank shall, to the extent its Percentage of the Commitment exceeds its percentage of the outstanding balance of all Loans and Non-Rata Loans, fund such excess to the Liquidity Agent up to a maximum of its Percentage of such requested Loans. To the extent such excess is not equal to or greater than such Bank's Percentage of such requested Loans, the CP Issuer shall, by written notice to the Liquidity Agent prior to the date of such requested Loans, advise the Liquidity Agent that it has Non-Rata Loans outstanding with one or more of the Banks and that it is electing to take a credit against its request for such Loans by maintaining all or a portion of the requested Loans as Non-Rata Loans to the extent necessary in order for the Banks holding those Non-Rata Loans to meet their obligation to fund up to their respective Percentage of the requested Loans.

(b) At any time when requested Loans have been funded in whole or in part by Non-Rata Loans as provided in Section 3.19, the CP Issuer shall provide to the Liquidity Agent and the other Banks a weekly report detailing its records concerning the dates, maturities, amounts, balances, payment amounts and payment schedules of all Loans and Non-Rata Loans as of a date within two Business Days of the end of the calendar week. Such report shall also identify specifically those Non-Rata Loans used to fund all or a portion of any Loans in accordance with Section 3.19. Such report shall be delivered (i) with each Notice of Borrowing and (ii) more often if requested by the Liquidity Agent. The Liquidity Agent is hereby authorized to rely on such report in determining the appropriate distribution of payments of principal and interest on all Loans in accordance herewith. Delivery of the report required by this Section 3.20 shall constitute the CP Issuer's representation and warranty that the information contained in such report is true, correct and complete in all material respects as of the date of such report.

(c) Each Bank and the CP Issuer agree to indemnify and hold the Liquidity Agent harmless from any misdirection of funds due to the Liquidity Agent's reliance on the report submitted by the CP Issuer pursuant to Section 3.20(b). In the event an error in disbursement to the Banks is reported to the Liquidity Agent by any Bank, the CP Issuer and the Bank or Banks reporting the error shall separately recompute the disbursements using information supplied by the CP Issuer and the Banks. The Liquidity Agent shall resolve any discrepancies to the best of its ability and report the same to the CP Issuer and the Banks. Absent manifest error, the resolution reported by the Liquidity Agent shall be binding upon the CP Issuer and the Banks. The CP Issuer agrees to provide, on demand, such additional funds as may be necessary to correct any Borrowings in excess of amounts permitted hereunder in accordance with the Liquidity Agent's resolution.

(d) Notwithstanding the CP Issuer's election to take a credit against its request for Loans and the corresponding credit against any Bank's obligation to fund all or a portion of any Loans by maintaining Non-Rata Loans, such Non-Rata Loans shall for all purposes be treated as Non-Rata Loans.

ARTICLE IV

SECTION 4.01 Reduction and Termination of Liquidity Commitment. (a) The CP Issuer may, upon at least three Business Days' prior irrevocable written notice to the Trustee, the Transferor, the Liquidity Agent (who shall promptly give written notice thereof to each Bank), the CP Dealer and the Depositary, terminate the Liquidity Commitment in whole on or after the first date on which (i) the CP Issuer shall have ceased issuing Commercial Paper (as evidenced by an Officer's Certificate of the CP Issuer) and (ii) no Commercial Paper or Loans are outstanding.

(b) The CP Issuer shall have the right, at any time and from time to time, to permanently reduce the Liquidity Commitment by an amount of $5,000,000 or integrals of $1,000,000 in excess thereof. Any such reduction shall be without penalty, and shall be made by giving at least three Business Days' prior irrevocable written notice to the Liquidity Agent (who shall promptly give written notice thereof to each Bank), the CP Dealer and the Depositary specifying the scheduled date (which shall be a Business Day) of such reduction and the amount of such reduction. Such partial reduction of the Liquidity Commitment shall be effective on the scheduled date specified in the CP Issuer's notice; provided, however, that no such reduction shall be effective (i) unless S&P and Fitch shall have confirmed in writing to the CP Issuer and the Liquidity Agent that such reduction would not result in the withdrawal or reduction of the then current rating by S&P and Fitch of the Commercial Paper, and (ii) to the extent that, on the scheduled date of such reduction, the Requisite Commitment Level would exceed the Adjusted Liquidity Commitment as so reduced.

(c) On any day from and after the Amortization Period Commencement Date with respect to the Variable Funding Certificate, the Liquidity Commitment shall be automatically reduced by an amount equal to the excess, if any, of (i) the Liquidity Commitment in effect on such day over (ii) the Requisite Commitment Level determined for such day.

(d) The Liquidity Agent shall give notice to the Rating Agencies, the CP Dealer and each Bank as to any change in the Liquidity Commitment promptly after any reduction or increase thereof made pursuant to Section 4.01 or 10.16, and to the CP Dealer and each Bank as to any change in the outstanding aggregate principal amount of Loans, promptly after giving effect to such change.

SECTION 4.02 Expiration of Liquidity Commitment. (a) Subject to the other provisions of this Agreement permitting or requiring earlier termination hereof, a Bank's Percentage of the Liquidity Commitment shall terminate on the Expiration Date then in effect with respect to such Bank unless such Bank elects in its sole discretion to extend its Percentage of the Liquidity Commitment for an additional two-year period following such Expiration Date (each such period, an "Extension Period"). On any Business Day occurring not earlier than July 31st nor later than August 30 of the year immediately preceding the year in which the then Expiration Date occurs, the CP Issuer or the Liquidity Agent may, by written notice to each Bank, request such Bank to extend its Percentage of the Liquidity Commitment for an additional Extension Period. Not later than October 31 of the year immediately preceding the year in which the then Expiration Date occurs, each Bank shall respond to the request to extend its Percentage by executing and delivering to the CP Issuer and the Liquidity Agent a written notice indicating whether or not such Bank will extend its Percentage of the Liquidity Commitment for such additional Extension Period and such notice, once given, shall be irrevocable. If any Bank does not give such notice as provided in the preceding sentence, its Percentage of the Liquidity Commitment shall be deemed to have been so extended. If any Bank elects not to extend its Percentage of the Liquidity Commitment for such Extension Period, the Liquidity Agent shall promptly notify the CP Issuer and the Depositary at the end of such notice period.

(b) Not later than November 15 of the year immediately preceding the year in which the Expiration Date occurs, the Liquidity Agent shall notify all the Banks as to those Banks that have elected to extend or have been deemed to have elected to extend and of those Banks that have elected not to extend. If any Bank does not consent to the extension of the Expiration Date pursuant to Section 4.02(a), the CP Issuer may upon such failure to extend, request another Bank or obtain a successor bank or hanks to assume such non-extending Bank's Percentage of the Liquidity Commitment pursuant to an Assignment and Acceptance Agreement entered into in accordance with Section 10.05 (except that the minimum amounts set forth in Section 10.05(b) shall not apply), provided that the addition of such successor bank and the withdrawal of such non-extending Bank will not result in the downgrading or withdrawal of the rating of the Commercial Paper as confirmed in writing by each Rating Agency. Upon the effectiveness of such assumption, the Expiration Date then in effect shall be extended for an Extension Period.

(c) If any Bank does not extend its Percentage of the Liquidity Commitment after the Expiration Date then in effect for such Bank pursuant to Section 4.02(a) hereof and (i) such Bank's Percentage of the Liquidity Commitment is not acquired in accordance with Section 4.02(b) hereof and (ii) Loans made by such Bank or other amounts payable to it hereunder are outstanding sixty days prior to such Expiration Date, such Bank shall be deemed to be an "Exiting Bank" on the first day after such sixtieth day. On each Business Day thereafter, an Exiting Bank shall be paid, from Principal Collections received after such Expiration Date and allocated to the Variable Funding Certificate pursuant to Section 4.03(b)(iii)(B) and 4.03(b)(iv)(B) of the Pooling and Servicing Agreement, an amount equal to:

(i) prior to the Amortization Period Commencement Date for the Variable Funding Certificate, such Exiting Bank's pro rata share of such Principal Collections, based on a fraction, the numerator of which shall be the amount equal to such Exiting Bank's Percentage of the Liquidity

Commitment expressed in Dollars, and the denominator of which shall be the Liquidity Commitment, in each case in effect at the Expiration Date for such Exiting Bank; and

(ii) from and after the Amortization Period Commencement Date for the Variable Funding Certificate, such Exiting Bank's pro rata share of such Principal Collections, based on a fraction, the numerator of which is equal to the outstanding principal amount of Loans made by such Exiting Bank (as shown on the Daily Report with respect to such Principal Collections), and the denominator of which is equal to the sum of (x) the Liquidity Commitment in effect, and (y) all Loans made by Exiting Banks outstanding at the Amortization Period Commencement Date, each as determined on the Amortization Period Commencement Date.

Interest on Loans made by an Exiting Bank shall continue to accrue and be required to be paid in accordance with this Agreement and such Exiting Bank's Loan Notes. After all payments of principal, interest and Supplemental Payments have been paid in respect to such Exiting Bank's Loans, the CP Issuer shall have no further obligation to such Bank (except with respect to obligations expressly stated herein to survive payment of the Loans).

(d) Any Exiting Bank shall be deemed to be a Bank for purposes of Section 10.03 hereof for determination in matters affecting such Exiting Bank until all Loans made by, and other amounts owing hereunder to, such Exiting Bank have been paid in full.

SECTION 4.03 Use of Proceeds. The proceeds of the Loans and Commercial Paper shall only be used for the following purposes:

(a) the proceeds of the issuance of any Commercial Paper issued on the Closing Date shall be used to purchase the Initial Issuer Amount in respect of the Variable Funding Certificate;

(b) the proceeds of subsequent issuances of Commercial Paper shall be used to repay maturing Commercial Paper, to repay Loans, to purchase Issuer Additional Amounts in respect to the Variable Funding Certificate (so long as no Borrowing Base Deficiency shall exist following such payment), and for deposit into the Collateral Account;

(c) the proceeds of any Refunding Loan shall be used to repay maturing Commercial Paper or to refinance an outstanding Revolving Loan after the Amortization Period Commencement Date; and

(d) the proceeds of any Revolving Loan shall be used to purchase Issuer Additional Amounts from the Trust, to refinance an outstanding Refunding Loan (so long as no Borrowing Base Deficiency shall exist following such payment) or to refinance an outstanding Revolving Loan.

ARTICLE V

Payments

SECTION 5.01 Payments on Nonbusiness Days. If any payment hereunder (other than payments on the Eurodollar Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day, and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension. If any payment on a Eurodollar Loan becomes due and payable on a day other than a Working Day, the maturity thereof shall be extended to the next succeeding Working Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Working Day.

SECTION 5.02 Optional and Mandatory Prepayments. (a) The CP Issuer may, subject to Section 3.16, at any time and from time to time, prepay the Revolving Loans then outstanding, in whole or in part, upon at least three Working Days' irrevocable notice to the Liquidity Agent, in the case of Eurodollar Loans, upon at least two Business Days' irrevocable notice to the Liquidity Agent, in the case of C/D Rate Loans and by giving irrevocable notice to the Liquidity Agent not later than 10:00 a.m., New York City time, on the date of such prepayment, in the case of Base Rate Loans, each such notice to specify (i) the date and amount of such prepayment, (ii) whether the prepayment is of Eurodollar Loans, C/D Rate Loans, Base Rate Loans, or a combination thereof, and, if of a combination thereof, the amount of prepayment allocable to each and (iii) the original amount of the Revolving Loan or Revolving Loans which are to be prepaid and the date or dates such Revolving Loan or Revolving Loans were made, provided that the CP Issuer may not both prepay Base Rate Loans under this subsection 5.02(a) and borrow Base Rate Loans on the same day. Upon receipt of any such notice, the Liquidity Agent shall promptly notify each Bank thereof. If any such notice is given, the CP Issuer will make the prepayment specified therein, and such prepayment shall be due and payable on the date specified therein, together with accrued interest to such date on the amount prepaid. Each partial prepayment of the Loans pursuant to this paragraph (a) shall be in an amount equal to $5,000,000 or a greater whole multiple of $1,000,000; provided that unless the Eurodollar Loans or C/D Rate Loans comprising any Tranche are prepaid in full, no prepayment shall be made in respect of Eurodollar Loans or C/D Rate Loans if, after giving effect to such prepayment, the aggregate principal amount of the Loans comprising any Tranche shall be less than $5,000,000.

(b) If the CP Issuer makes a prepayment (whether optional or mandatory, including any prepayment made as a result of the Loans being declared due and payable prior to their stated maturity pursuant to Section 8.01) in respect of Revolving Loans (other than Base Rate Loans), provided

that, in accordance with Section 10.12, all payment obligations of the CP Issuer with respect to Commercial Paper, Loan Notes and LOC Disbursements attributable to Refunding Drawings are then satisfied or provided for, the CP Issuer agrees to pay to the Liquidity Agent for the account of each Bank, a prepayment fee in an amount determined by the Liquidity Agent (which determination shall be rebuttable presumptive evidence of the amount due) and specified by the Liquidity Agent to the CP Issuer as the excess, if any, of (i) an amount equal to the present value (discounted at the Base Rate in effect on the date of such prepayment) of the aggregate amount of interest which would have accrued at the interest rate in effect in respect of such Revolving Loan (other than the Base Rate Loans) on the date of such prepayment on the principal amount of the Revolving Loans being prepaid from the date of such prepayment if such amount had remained outstanding and been repaid on the last day of the Interest Period for such Revolving Loan during which such prepayment was made over (ii) an amount equal to the present value (discounted at the Base Rate in effect on the date of such prepayment) of the aggregate amount of interest which would accrue on the principal amount of the Revolving Loans (other than the Base Rate Loans) so prepaid if such principal amount were invested on the date of such prepayment until the last day of such Interest Period at the Treasury Rate (as hereinafter defined) plus 0.50%. For purposes of this Section 5.02(b), the term "Treasury Rate" shall mean a percentage amount equal to:

(i) The current yield to maturity, on an annual equivalent bond basis (recalculated to a 360-day year basis), of a U.S. Treasury bill, note or bond currently actively traded in the secondary market ("Treasury Note") maturing closest to the last day of the Interest Period in respect of the Revolving Loans being prepaid, but in no event maturing more than two months prior to or after such last day; if such a Treasury Note is not outstanding, then

(ii) The current yield to maturity, on an annual equivalent bond basis (recalculated to a 360-day year basis), of Treasury Notes which the Liquidity Agent shall, in its sole discretion, determine as being appropriate to determine the Treasury Rate (provided that in the event two or more issues of such Treasury Notes mature on the same day, then the Liquidity Agent shall at its reasonable discretion select one of such issues for purposes of determining the Treasury Rate).

SECTION 5.03 Attachments. Anything herein to the contrary notwithstanding, the CP Issuer shall not be permitted to issue or sell Commercial Paper after the CP Issuer has received notice that the Commercial Paper Account or any funds on deposit in, or otherwise to the credit of, the Commercial Paper Account are or have become subject to any stay, writ, judgment, warrant of attachment, execution or similar process, unless such stay, writ, judgment, warrant or attachment, execution or similar process does not, in the sole judgment of the Required Banks, materially impair the fulfillment of the transactions contemplated by this Agreement.

SECTION 5.04 Method and Place of Payment, etc. (a) All payments by the CP Issuer under this Agreement and the Loan Notes owing to the Banks shall be made to the Liquidity Agent for the pro rata account of each Bank, without setoff or counterclaim, not later than 11:00 a.m. (New York City time) for any payments made pursuant to Sections 7 and 8 of the Security Agreement and 3:00 p.m. (New York City time) for all other payments on the date when due and shall be made in freely transferable U.S. dollars and in immediately available funds at the Payment Office. Payments by the CP Issuer shall be distributed by the Liquidity Agent to the Banks in accordance with their respective Percentages as soon as possible after the same have been received by the Liquidity Agent but in no event later than the close of business on the Business Day on which received.

(b) On any date on which a payment by the CP Issuer of any amount owing by it hereunder is due and payable, the Liquidity Agent may (but in no event shall be required to) assume that the CP Issuer has made such payment available to the Liquidity Agent on the date of such payment in accordance with this Section 5.04, and the Liquidity Agent may (but in no event shall be required to), in reliance upon such assumption, make payment of a corresponding amount to the Banks. If and to the extent the CP Issuer shall not have so made such payment available to the Liquidity Agent, each Bank irrevocably and unconditionally agrees to repay to the Liquidity Agent forthwith on demand the amount of such payment received by such Bank together with interest thereon, for each day from the date such payment is made by the Liquidity Agent until the date such amount is repaid to the Liquidity Agent, at a rate per annum equal to the federal funds effective rate.

(c) Any payments received after 3:00 p.m. (New York City time) on the date when due shall be deemed for purposes of calculating interest pursuant to Section 3.06 hereof to have been paid on the next succeeding Business Day (or Working Day in the case of Eurodollar Loans), and interest shall be payable at the applicable rate through and including the day immediately preceding such Business Day (or Working Day in the case of Eurodollar Loans).

ARTICLE VI

Conditions Precedent

SECTION 6.01 Conditions to Effectiveness. This Agreement shall become effective if the following conditions have been satisfied:

(a) Agreement. Each Bank, the Liquidity Agent, Funding, Ingram and the CP Issuer shall have signed a counterpart copy of this Agreement and delivered the same to the Liquidity Agent.

(b) Depositary Agreement, Pooling and Servicing Agreement and Variable Funding Certificate. (i) The CP Issuer and the Depositary shall have executed and delivered the Depositary Agreement, (ii) the Transferor, the Trustee and Ingram shall have executed and delivered the Pooling and Servicing Agreement and the Variable Funding Supplement, and the Liquidity Agent shall have received a fully executed counterpart of each thereof, and (iii) the Transferor shall have issued, executed and delivered and the Trustee shall have authenticated the Variable Funding Certificate, and the Liquidity Agent shall have received a copy thereof.

(c) The Revolving Loan Notes and the Refunding Loan Notes. There shall have been delivered to the Liquidity Agent for the account of each Bank the appropriate Revolving Loan Note and Refunding Loan Note payable to the order of such Bank in the amount and as otherwise provided for in Article III.

(d) Purchase Agreement. The Transferor and Ingram shall have executed and delivered the Purchase Agreement and Ingram and each Designated Subsidiary shall have executed and delivered each Subsidiary Purchase Agreement, and the Liquidity Agent shall have received fully executed counterparts thereof and a copy of the Revolving Note.

(e) Security Agreement. The CP Issuer, the Depositary, the Collateral Agent and the Liquidity Agent shall have executed and delivered to the Collateral Agent, for the benefit of the parties secured thereby, the Security Agreement, which shall be in full force and effect, and the Liquidity Agent shall have received a fully executed counterpart thereof and the CP Issuer shall have delivered the Variable Funding Certificate to the Collateral Agent.

(f) LOC Reimbursement Agreement and LOC. Each of the LOC Issuers shall have executed its LOC delivered it to the Collateral Agent, and shall have executed the LOC Reimbursement Agreement, and the Liquidity Agent shall have received a photocopy of such executed LOCs and a fully executed counterpart of the LOC Reimbursement Agreement.

(g) Other Agreements. The CP Issuer shall have executed and delivered the other Facilities Documents and the Liquidity Agent shall have received a fully executed counterpart of each Facilities Document.

(h) No Default. There shall exist no Default, Event of Default under this Agreement, Prospective Event of Termination, Event of Termination, Servicer Default of Event of Default under the LOC Reimbursement Agreement or any event which would, with the giving of notice, the lapse of time, or both, constitute a Servicer Default or an Event of Default under the LOC Reimbursement Agreement.

(i) Representations and Warranties. All representations and warranties of (i) the CP Issuer contained in this Agreement and in the other Facilities Documents to which it is a party or in any document, certificate or financial or other statement executed and delivered in connection herewith or therewith, (ii) the Transferor contained in the Facilities Documents to which it is a party and the Purchase Agreement, (iii) Ingram contained in this Agreement and in the Purchase Agreement and (iv) each Designated Subsidiary contained in each Subsidiary Purchase Agreement shall (in each case) be true and correct and with the same force and effect as though such representations and warranties had been made as of such time, except to the extent any such representations and warranties relate solely to an earlier date.

(j) Opinions of Counsel. The Liquidity Agent shall have received, in sufficient quantities for each Bank, the Liquidity Agent, the CP Issuer and the Depositary, favorable opinions dated the Initial Closing Date and addressed to the Banks, from (i) Skadden, Arps, Slate, Meagher & Flom, special counsel to the CP Issuer, the Transferor and Ingram, substantially in the forms attached hereto as Exhibit I, (ii) Pryor, Cashman, Sherman & Flynn, counsel to the Trustee, substantially in the form attached hereto as Exhibit J, (iii) counsel to each Bank and Orrick, Herrington & Sutcliffe, special counsel to the Banks, substantially in the form attached hereto as Exhibit L and Exhibit M, respectively, (iv) Skadden, Arps, Slate, Meagher & Flom, special counsel to the Transferor and Ingram regarding certain true sale and bankruptcy matters, in each case, in form and substance satisfactory to the Liquidity Agent and (v) James Anderson, general counsel to the Servicer.

(k) Closing Certificates. The Liquidity Agent shall have received in sufficient quantities for each Bank a certificate, dated the Closing Date and executed by the president, treasurer, controller, assistant treasurer or other authorized officer of each of the CP Issuer, the Transferor, each Designated Subsidiary and Ingram, stating that all of the conditions specified in Sections 6.01(h) and (i) as applicable to it are then satisfied.

(l) Filings, etc. The Liquidity Agent shall have received (i) Officer's Certificates of (A) the CP Issuer with respect to the Collateral certifying as to the absence of Liens thereon, except the Liens created pursuant to the Security Agreement in favor of the Collateral Agent and (B) the Transferor certifying as to the absence of Liens on any of its property or assets, except the Liens created pursuant to the Pooling and Servicing Agreement in favor of the Trustee, and (ii) reports of UCC-1 and other searches of (A) Ingram reflecting the absence of Liens on the property conveyed by it under the Purchase Agreement, except for filings made in connection with the Purchase Agreement in favor of the Transferor, and (B) each Designated Subsidiary reflecting the absence of Liens on the property conveyed by them under the Subsidiary Purchase Agreements, except for filings made in connection with the Subsidiary Purchase Agreements in

favor of Ingram, (iii) executed copies of all documents, filings and financing statements in form acceptable to the Collateral Agent and the Liquidity Agent to release all security interests and other rights of any Person in the Collateral or the Trust Assets previously granted by Ingram, each Designated Subsidiary, the Transferor or the CP Issuer, as the case may be, and (iv) all such UCC-1 financing statements and other instruments and documents as the Liquidity Agent or counsel shall have requested as necessary or advisable to perfect or protect the Liens intended to be created pursuant to the Subsidiary Purchase Agreements, the Purchase Agreement, the Pooling and Servicing Agreement and the Security Agreement. All documents or instruments to be filed or recorded by the transactions contemplated hereby shall have been completed with respect to the Subsidiary Purchase Agreements, the Purchase Agreement, the Pooling and Servicing Agreement and the Security Agreement in connection with the property conveyed under such Purchase Agreement, the Trust Assets and the Collateral, respectively, in such jurisdictions as may be required or permitted by law to establish, perfect, protect and preserve the rights, title, interest, remedies, powers, privileges, liens and security interests of the Transferor, as contemplated by the Subsidiary Purchase Agreements and the Purchase Agreement, the Trustee as contemplated by the Pooling and Servicing Agreement and the Collateral Agent in the Collateral covered by the Security Agreement and any giving of notice or the taking of any other action to such end (whether similar or dissimilar) required or permitted by law shall have been given or taken. On or prior to the Closing Date, the CP Issuer, the Liquidity Agent and the Collateral Agent shall have received satisfactory evidence as to any such filing, recording, registration, giving of notice or other action so taken or made.

(m) Documentation and Proceedings. The Liquidity Agent shall have received

(i) a copy of the certificate or articles of incorporation, including all amendments thereto, of Ingram, each Designated Subsidiary, the Transferor and the CP Issuer, certified in each case as of a recent date by the Secretary of State of the state of its organization, and a certificate as to the good standing of Ingram and each Designated Subsidiary, and certificates as to the legal existence of the Transferor and the CP Issuer as of a recent date, from such Secretary of State;

(ii) certificates of the Secretaries or Assistant Secretaries of Ingram, each Designated Subsidiary, the Transferor and the CP Issuer, in each case dated the Initial Closing Date and certifying (A) that attached thereto is a true and complete copy of the bylaws of Ingram, each Designated Subsidiary, the Transferor or the CP Issuer, as the case may be, as in effect on the Initial Closing Date and at all times since a date prior to the date of the resolutions described in clause (B) below, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the Executive Committee of the Board of Directors of Ingram, and by the Board of Directors of each Designated Subsidiary, the Transferor or the CP Issuer, as the case may be, authorizing the execution, delivery and performance of the Facilities Documents to which it is a party and, in the case of Ingram, each Designated Subsidiary and the Transferor, the Purchase Agreement to which it is a party and the grant of any Liens contemplated thereby and, with respect to the CP Issuer, the borrowings hereunder and pursuant to the Commercial Paper and the grant of the Liens pursuant to the Security Agreement, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, (C) that the certificate of incorporation of Ingram, each Designated Subsidiary, the Transferor or the CP Issuer, as the case may be, has not been amended since the date of the last amendment thereto shown on the certificate of good standing furnished pursuant to clause (i) above and (D) as to the incumbency and specimen signature of each officer executinq any Facilities Document and, in the case of Ingram, each Designated Subsidiary, and the Transferor, the Purchase Agreement to which it is a party or any other document delivered in connection herewith or therewith on behalf of Ingram, each Designated Subsidiary, the Transferor or the CP Issuer, as the case may be;

(iii) a certificate of another officer as to the incumbency and specimen signature of the Secretary or Assistant Secretary executing the certificate pursuant to (ii) above; and

(iv) such other documents, certificates and opinions as any Bank or its counsel may reasonably request.

(n) Bank Accounts; Lock-Box Accounts.

(i) The Liquidity Agent shall have received evidence satisfactory to it that the Commercial Paper Account, the Collateral Account, the Collection Account and the Transferor Account have been established, which evidence may be certificates of the Depositary, the Collateral Agent and the Trustee with respect to the Commercial Paper Account, the Collateral Account, the Collection Account and the Transferor Account, respectively, setting forth, among other things, the name and number of each such Account.

(ii) The Liquidity Agent shall have received (i) true and correct copies of each Lock-Box Agreement in effect on the Initial Closing Date and (ii) evidence satisfactory to it that each Lock-Box Account maintained thereunder is in the name of the Transferor.

(o) Opinions of Counsel of the Banks. Each Bank shall have provided to the CP Issuer, the Transferor, the CP Dealer and the Depositary an opinion of counsel (both domestic and, if applicable, foreign), substantially in the form attached hereto as Exhibit K dated the Initial Closing Date to the effect that this Agreement is a legal and validly binding obligation of such Bank and is enforceable against such Bank in

accordance with its terms.

(p) Rating Letters. The Liquidity Agent shall have received a letter from each of Fitch and S&P to the effect that the Commercial Paper shall have been given a rating of at least "A-1" by S&P and at least "F-1" by Fitch, which ratings shall be in full force and effect.

(q) Purchase Agreement Conditions. All conditions to the obligations of the Seller and the Buyer under the Purchase Agreement and of each Designated Subsidiary and Ingram under the Subsidiary Purchase Agreements shall have been satisfied in all respects.

(r) Pooling and Servicing Agreement Conditions. All conditions to the obligations of the Transferor, the Servicer and the Trustee under the Pooling and Servicing Agreement shall have been satisfied in all respects.

(s) Offering Materials. Each offering circular, offering memorandum or information circular to be used by the CP Issuer or the CP Dealer in connection with the offer or sale of Commercial Paper, insofar as it describes or refers to the Liquidity Agent or any Bank, shall be reasonably acceptable to the Liquidity Agent or Bank in its sole discretion on and as of the Initial Closing Date.

(t) Consents, etc. The Liquidity Agent shall have received true and correct copies of all consents, licenses and approvals required by Ingram, each Designated Subsidiary, the Transferor or the CP Issuer in connection with its execution, delivery and performance of the Facilities Documents to which it is a party, and, in the case of Ingram, each Designated Subsidiary and the Transferor, the Purchase Agreement to which it is a party.

(u) Capital Contributions by Ingram. The Liquidity Agent shall have received evidence satisfactory to it that Ingram has made the capital contribution to the Transferor described in the Purchase Agreement between Ingram and the Transferor.

(v) Other Closing Documents. The Liquidity Agent shall have received a copy of each of the other documents, certificates or instruments delivered on the Initial Closing Date pursuant to each other Facilities Document.

SECTION 6.02 Conditions to Each Credit Utilization. The obligation of any Bank to make any Revolving Loan hereunder and the right of the CP Issuer to issue Commercial Paper other than to refinance Commercial Paper maturing on the day such Commercial Paper is issued and which does not increase the Aggregate CP Matured Value over that of the preceding day (any of the foregoing, a "Credit Utilization") are subject at the time of such Credit Utilization to the satisfaction of the following conditions. Each delivery of a Notice of Revolving Borrowing and each Credit Utilization shall constitute a representation and warranty by the CP Issuer that the conditions specified in this Section 6.02 are then satisfied.

(a) No Event of Default. At the time of such Credit Utilization and after giving effect thereto, there shall exist no Default or Event of Default.

(b) Representations and Warranties. At the date of such Credit Utilization and after giving effect thereto, all representations and warranties of the CP Issuer, the Transferor or Ingram contained in this Agreement, in the Security Agreement or in any other Facilities Document to which it is a party or, in the case of Ingram, the Purchase Agreement or in any document, certificate or financial or other statement delivered in connection herewith or therewith shall be true and correct in all material respects with the same force and effect as though such representations and warranties had been made as of such date, except to the extent any such representations and warranties relate solely to an earlier date.

(c) No Event of Termination. At the time of such Credit Utilization and after giving effect thereto, there shall exist no Event of Termination or Prospective Events of Termination with respect to the Variable Funding Certificate.

(d) No Bankruptcy Proceeding. Neither the CP Issuer nor Ingram shall have voluntarily commenced any proceeding or filed any petition under any bankruptcy, insolvency, reorganization or similar law seeking the dissolution, liquidation, winding up, arrangement or adjustment of debts or reorganization of the CP Issuer or Ingram or taken any corporate action for the purpose of effectuating any of the foregoing, and no involuntary proceedings or involuntary petition shall have been commenced or filed against the CP Issuer or Ingram by any Person under any bankruptcy, insolvency, reorganization or similar law seeking the dissolution, liquidation, winding up, arrangement or adjustment of debts or reorganization of the CP Issuer or Ingram that shall not have been dismissed.

(e) No Borrowing Base Deficiency; Available Commitment. In reliance on the most recent Dally Report or Settlement Statement delivered by the Servicer, a Borrowing Base Deficiency shall not exist and the making of such Credit Utilization would not (after giving effect to the use of proceeds thereof) result in a Borrowing Base Deficiency. After giving effect to such Credit Utilization, if an issuance of Commercial Paper, the first proviso of Section 2.01(b) shall not be contravened and if in the making of the Revolving Loan, Section 3.01(b) shall not have been contravened.

(f) Commercial Paper Unavailable. If the Credit Utilization

is a Revolving Loan, the Servicer shall have given notice that the CP Dealer has given notice under Section 4(f) of the CP Dealer Agreement with respect to the unavailability of the Commercial Paper market or under Section 4(g) of the CP Dealer Agreement that the issuance of Commercial Paper Notes would be at a discount the imputed annual rate of interest of which is in excess of the sum of the Base Rate plus 5 percent.

(9) Receipt of Daily Report or Settlement Statement. With respect only to the issuance of Commercial Paper, the Liquidity Agent shall have received a Daily Report or Settlement Statement most recently due prior to a Credit Utilization.

(h) Ratings. At the time of each Credit Utilization, the Commercial Paper shall be rated at least A-1 and F-1 by S&P and Fitch, respectively, unless, as provided in the parenthetical to clause (v) in Section 2.01(a), such Commercial Paper shall not be so rated as a result of the withdrawal or downgrading of a Bank's rating by S&P or Fitch.

(i) LOC; LOC Issuer. At the date of such Credit Utilization, each of the LOCs shall be in full force and effect, each LOC Issuer with respect to its LOC shall not be insolvent or have taken any action to repudiate or contest in any way its obligation to make payments under its LOC, and the Available LOC Amount shall be not less than 10% of Advances after giving effect to such Credit Utilization.

(j) Receipt of Notice of Revolving Borrowing. With respect to the making of Revolving Loans, the Liquidity Agent shall have received the Notice of Revolving Borrowing in accordance with the terms of this Agreement.

SECTION 6.03 Conditions Precedent to the Makinq of Each Refunding Loan. The obligation of any Bank to make any Refunding Loan shall be subject to the satisfaction of the following conditions: (a) the Liquidity Agent shall have received Notice of a Refunding Borrowing in accordance with the terms of this Agreement, (b) after the making of such Refunding Loan, Section 3.01(c) shall not have been contravened and (c) the CP Issuer shall not have voluntarily commenced any proceeding or filed any petition under any bankruptcy, insolvency or similar law seeking the dissolution, liquidation or reorganization of the CP Issuer or taken any corporate action for the purpose of effectuating any of the foregoing, and no involuntary proceedings or involuntary petition shall have been commenced or filed against the CP Issuer by any Person under any bankruptcy, insolvency or similar law seeking the dissolution, liquidation or reorganization of the CP Issuer that shall not have been dismissed; provided, however, that, if a Designated Person of the Depositary shall not have received written notice from any Bank, by 9:00 a.m. (New York City time) on any day on which Commercial Paper is maturing, that the Banks have no obligation to make Refunding Loans because a condition set forth in clause (c) above is not satisfied, and if the Depositary shall advance the funds to pay such Commercial Paper on such day pursuant to Section 5(c) of the Depositary Agreement prior to its receipt of such a notice from any Bank, the Banks shall be deemed (solely for purposes of satisfying the conditions precedent in this Section) to have waived such conditions with respect to Refunding Loans in an aggregate principal amount not to exceed the amount of such advances made by the Depositary prior to its receipt of such notice; and further provided, that the Transferor and Ingram, upon obtaining actual knowledge, shall each be obligated to give the Liquidity Agent and a Designated Person of the Depositary immediate notice of any event which would cause a condition set forth in clause (c) above not to be satisfied. Each delivery of a Notice of Refunding Borrowing and each Refunding Loan Borrowing shall constitute a representation and warranty by the CP Issuer that the conditions specified in clauses (b) and (c) of this Section 6.03 have been satisfied. The Banks' obligations to make Refunding Loans in accordance with the terms of this Agreement are primary, irrevocable, absolute and, except as set forth in this Section 6.03, unconditional and the failure of the CP Issuer to perform any covenant or obligation hereunder, except as set forth in this Section 6.03, or the breach of any representation or warranty by the CP Issuer hereunder shall not in any way affect or limit the Banks' obligations to make Refunding Loans. Each Bank waives any and all defenses (except for satisfaction of the conditions precedent set forth in this Section 6.03), rights of rescission, counterclaims or setoff with respect to its obligations to make Refunding Loans.

ARTICLE VII

Covenants

SECTION 7.01 Covenants of the CP Issuer. While this Agreement is in effect and until all indebtedness and all other amounts owing hereunder, under the Loan Notes and under the Commercial Paper shall have been paid in full and the Liquidity Commitment has been terminated, the CP Issuer covenants and agrees as follows:

(a) Compliance with Laws. The CP Issuer shall comply in all material respects with all applicable laws, regulations, rules and orders of any Government Authority, whether now in effect or hereinafter enacted, except those contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves in accordance with GAAP have been set aside; provided, however, that the CP Issuer will promptly give the Collateral Agent and the Liquidity Agent written notice of such contest and of any developments related thereto and provided, further that there shall be no Lien (other than Permitted Liens) on, or any material danger of the sale, forfeiture or loss of, any Collateral in respect thereof.

(b) Corporate Existence. The CP Issuer (i) shall preserve

and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation, and (ii) shall qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification would, if not remedied, materially adversely affect the ability of the CP Issuer to perform its obligations hereunder in the case of (ii) and where such failure shall remain unremedied for a period of 30 days or such failure shall have a material adverse effect on the ability of the CP Issuer to perform its obligations hereunder.

(c) Payment of Taxes and Obligations. The CP Issuer shall pay and discharge all indebtedness and other obligations promptly before the same shall become delinquent or in default and pay and discharge promptly when due all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, and other claims which might give rise to a Lien, before the same shall become delinquent or in default, except those contested in good faith and by appropriate proceedings diligently conducted and for which adequate reserves in accordance with GAAP have been set aside, provided that there shall be no Lien (other than Permitted Liens) on or any material danger of the sale, forfeiture or loss of any Collateral in respect thereof.

(d) Notice. Unless such parties have otherwise received notice, the CP Issuer shall notify the Trustee, the Collateral Agent and the Liquidity Agent or give them copies, as the case may be, of the following:

(i) promptly following knowledge thereof, any Default or Event of Default or Event of Termination or Prospective Event of Termination, specifying the nature and extent thereof and the corrective action (if any) proposed to be taken with respect thereto;

(ii) copies of any notices received by the CP Issuer under any other Facilities Document upon receipt thereof;

(iii) any proceedings or petition commenced or filed by the CP Issuer or against the CP Issuer by any Person under any Debtor Relief Law seeking the dissolution, liquidation or reorganization of the CP Issuer within one day of such commencement or filing;

(iv) promptly following knowledge thereof, any material Lien (other than the Lien created pursuant to the Security Agreement) on or claim asserted against any of the Collateral; and

(v) promptly following knowledge thereof, any litigation, investigation or proceeding which may exist at any time between the CP Issuer and any Person which could reasonably be expected to have a material adverse effect on the Receivables taken as a whole.

(e) Business and Properties. The CP Issuer shall do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the rights, licenses, permits, franchises, authorizations, patents, copyrights, trademarks, trade names and all consents material to the conduct of its business, if any, and maintain and operate such business as a special purpose corporation with the limited purposes set forth in its Certificate of Incorporation.

(f) Use of Proceeds. The CP Issuer will use the proceeds of the Loans only for the purposes specified in this Agreement.

(g) Servicer Performance. The CP Issuer will use its reasonable efforts to cause the Servicer to perform all obligations of the Servicer under the Facilities Documents.

(h) Negative Covenants. The CP Issuer shall not:

(i) Create or permit to exist any Liens or encumbrances on any of its assets, other than Permitted Liens;

(ii) Declare or pay, directly or indirectly, any dividend or make any other distribution (by reduction of capital or otherwise), whether in cash, property, securities or a combination thereof, with respect to any shares of its capital stock or directly or indirectly redeem, purchase, retire or otherwise acquire for value any shares of any class of its capital stock or set aside any amount for any such purpose;

(iii) Amend its Certificate of Incorporation or By-Laws;

(iv) Issue (other than in connection with its incorporation), or consent to the transfer to any entity of, any of its capital stock;

(v) Sell or otherwise dispose of any property or assets other than pursuant to the Security Agreement;

(vi) Invest in (by capital contribution or otherwise), suffer to exist any investment in, or acquire or purchase or make any commitment to purchase the obligations or capital stock of, or other indicia of equity rights in, or make any loan, advance or extension of credit to, or purchase any bonds, notes, debentures or other securities of, any Person other than its acquisition of the Variable Funding Certificate, or enter into any joint venture, syndicate or other combination with any other Person;

(vii) Make any expenditure (by long-term or operating lease or otherwise) for capital assets (either realty or personalty);

(viii) Wind-up, liquidate or dissolve its affairs or enter into any transaction of merger or consolidation;

(ix) Engage in any business, or enter into any contract, agreement or transaction, except as contemplated by its Certificate of Incorporation and By-Laws and the Facilities Documents;

(x) create, incur, assume or suffer to exist any indebtedness (including, without limitation, any guaranty) or expense (whether or not accounted for as a liability) except (i) indebtedness hereunder, or under any of the other Facilities Documents or the Management Agreement to which it is a party, or agreements, contracts or instruments which relate thereto, (ii) indebtedness or other expense to its professional advisers and its counsel, and (iii) other indebtedness and expenses, not exceeding $4,750 at any one time outstanding, on account of incidentals or services supplied or furnished to the CP Issuer;

(xi) Include any material relating to either Liquidity Agent or any Bank or the Liquidity Commitment in any offering circular, offering memorandum or information circular to be used by the CP Issuer or the CP Dealer in connection with the offer or sale of Commercial Paper unless such material is approved in writing by such Liquidity Agent or Bank prior to its inclusion in such offering circular, or distribute any such offering circular unless its contents have been approved in writing by such Liquidity Agent or Bank;

(xii) While solvent, institute proceedings to be adjudicated a bankrupt or insolvent, or consent to the institution of such proceedings against it, or file a petition for reorganization or relief under any applicable law relating to bankruptcy, or consent to the appointment of a receiver or other similar official of it or any of its property, or make any assignment for the benefit of creditors, or take any action in furtherance of any of the foregoing; and

(xiii) purchase Issuer Additional Amounts if a Borrowing Base Deficiency would result therefrom or an Event of Default has occurred and is continuing or would result therefrom.

(i) Keening of Books. The CP Issuer shall keep proper books of record and account, which shall be maintained or caused to be maintained by the CP Issuer and shall be separate and apart from those of any Affiliate of the CP Issuer, in which full and correct entries shall be made of all financial transactions and the assets and business of the CP Issuer in accordance with GAAP consistently applied, and keep and maintain or cause to be kept and maintained all documents, books, records and other information reasonably necessary or advisable for the monitoring of payments on the Variable Funding Certificate and otherwise under the Security Agreement and upon reasonable prior notice, make available to any Bank such documents, books, records and other information.

(j) Sole Owner. On the date of purchase by the CP Issuer of the Variable Funding Certificate issued pursuant to the Pooling and Servicing Agreement and on each date of purchase of Issuer Additional Amounts the CP Issuer will own the Variable Funding Certificate free and clear of all Liens other than Permitted Liens.

SECTION 7.02 Covenants of Ingram. While this Agreement is in effect and until all indebtedness and all other amounts owing hereunder and the Loan Notes and under the Commercial Paper shall have been paid in full and the Liquidity Commitment has been terminated, Ingram covenants and agrees as follows:

(a) Compliance with Laws. Ingram shall comply in all material respects with all applicable laws, regulations, rules and orders of any Governmental Authority, the failure to comply with which would have a material adverse effect on the Receivables taken as a whole or the ability of Ingram to perform its obligations hereunder and under the Pooling and Servicing Agreement, whether now in effect or hereafter enacted, except those contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves in accordance with GAAP have been set aside; provided, however, that Ingram will promptly give the Collateral Agent and the Liquidity Agent written notice of such contest and of any developments related thereto and provided, further that there shall be no Lien (other than Permitted Liens) on, or any material danger of the sale, forfeiture or loss of, any Collateral in respect thereof.

(b) Corporate Existence. Ingram (i) shall preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation, and (ii) shall qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification would, if not remedied, materially adversely affect the ability of Ingram to perform its obligations hereunder and under the Pooling and Servicing Agreement in the case of (ii) and where such failure shall remain unremedied for a period of 30 days or such failure shall have a material adverse effect on the ability of Ingram to perform its obligations hereunder and under the Pooling and Servicing Agreement.

(c) Payment of Taxes and Obligations Ingram shall pay and discharge all indebtedness and other obligations to the extent in excess of $10,000,000 in the aggregate promptly before the same shall become delinquent or in default and pay and discharge promptly when due all taxes, assessments and governmental charges or levies imposed upon it or upon its

income or profits or in respect of its property, and other claims which might give rise to a Lien, before the same shall become delinquent or in default, except those contested in good faith and by appropriate proceedings diligently conducted and for which adequate reserves in accordance with GAAP have been set aside, provided that there shall be no Lien (other than Permitted Liens) on or any material danger of the sale, forfeiture or loss of any Collateral in respect thereof.

(d) Notice. Unless such parties have otherwise received notice, Ingram shall notify the Trustee, the CP Issuer, the Collateral Agent, the Liquidity Agent and the Rating Agencies or give them copies, as the case may be, of the following:

(i) promptly following knowledge thereof, any Default or Event of Default or Event of Termination or Prospective Event of Termination, specifying the nature and extent thereof and the corrective action (if any) proposed to be taken with respect thereto;

(ii) copies of any notices received by Ingram under any other Facilities Document upon receipt thereof;

(iii) any proceedings or petition commenced or filed by Ingram or against Ingram by any Person under any Debtor Relief Law seeking the dissolution, liquidation or reorganization of Ingram within one day after Ingram has received notice of such commencement or filing;

(iv) promptly following knowledge thereof, any material Lien (other than the Lien created pursuant to the Security Agreement) on or claim asserted against any of the Collateral; and

(v) promptly following knowledge thereof, any litigation, investigation or proceeding which may exist at any time between Ingram and any Person which could reasonably be expected to have a material adverse effect on the Receivables taken as a whole.

(e) Business and Properties. Ingram shall do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the rights, licenses, permits, franchises, authorizations, patents, copyrights, trademarks, trade names and all consents material to the conduct of its business.

(f) Negative Covenants. Ingram shall not:

(i) Wind-up, liquidate or dissolve its affairs;

(ii) Engage in any business, or enter into any contract, agreement or transaction, except as contemplated by its Certificate of Incorporation and By-Laws; and

(iii) While solvent, institute proceedings to be adjudicated a bankrupt or insolvent, or consent to the institution of such proceedings against it, or file a petition for reorganization or relief under any applicable law relating to bankruptcy, or consent to the appointment of a receiver or other similar official of it or any of its property, or make any assignment for the benefit of creditors, or take any corporate action in furtherance of any of the foregoing.

(g) Financial Covenants. Ingram will not permit:

(i) its Consolidated Current Ratio at any time to be less than 1.0:1.0;

(ii) its Consolidated Stockholders' Equity, at any time to be less than the sum of (i) $125,000,000, plus (ii) an amount equal to the sum of:

(x) fifty percent (50%) of the consolidated net income of Ingram and the Consolidated Subsidiaries, for the period commencing on January 1, 1989 and ending on (and including) the date of determination of Consolidated Stockholders' Equity (measured cumulatively, but excluding those months where consolidated net income of Ingram and the Consolidated Subsidiaries is a negative number); plus

(y) twenty five percent (25%) of the aggregate consolidated net income of Ingram and the Consolidated Subsidiaries for any period or periods commencing on or after January 1, 1989 and ending on or prior to the end of the month immediately preceding the date of determination of Consolidated Stockholders' Equity and during which the Consolidated Leverage Ratio was greater than 1.8:1.0;

(iii) the Consolidated Net Income Available for Fixed Charges (calculated on the basis of the financial statements for the twelve (12) calendar months prior to the date of determination of Consolidated Net Income Available for Fixed Charges) to be less than one hundred and thirty five percent (135%) of Consolidated Fixed Charges (calculated on the date of determination of Consolidated Net Income Available for Fixed Charges); or

(iv) Consolidated Working Capital at any time to be less than or equal to one hundred and ten percent (110%) of loans and face amount of any letters of credit outstanding under the Credit Agreement, dated December 15, 1992, among the Obligated Parties, Lenders and Agents named therein, as such agreement may be amended, supplemented, modified and replaced from time to time.

SECTION 7.03 Covenants of Transferor. While this Agreement is in

effect and until all indebtedness and all other amounts owing hereunder and the Loan Notes and under the Commercial Paper shall have been paid in full and the Liquidity Commitment has been terminated, the Transferor covenants and agrees as follows:

(a) Additional Designated Subsidiaries. The Transferor shall not consent to the addition of Additional Designated Subsidiaries pursuant to Section 2.2 of the Purchase Agreement without the consent of each of the Banks.

(b) Maintenance of Transferor Minimum Amount. The Transferor shall comply with its obligations pursuant to Sections 2.10 and 3.09 of the Pooling and Servicing Agreement with respect to the deposit of funds into the Transferor Account to cause the Transferor Eligible Amount to equal the Transferor Minimum Amount.

ARTICLE VIII

Events of Default

SECTION 8.01 Events of Default. If any of the following events shall occur (each an "Event of Default"): (a) the Banks or the holders of the Commercial Paper are not paid when and as due (whether on the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise) (i) any amount payable with respect to principal on the Loan Notes or on the Commercial Paper within five Business Days after the due date thereof, (ii) interest payable on the Loan Notes or the Liquidity Fee within five Business Days after the due date thereof, or (iii) Supplemental Payments on the due date thereof; provided that Supplemental Payments shall not be deemed due until 30 days following demand therefor;

(b) The CP Issuer shall fail to perform or observe in any material respect any of the covenants or agreements set forth in this Agreement, the Security Agreement or the CP Dealer Agreement or Ingram shall fail to perform or observe in any material respect any of the covenants or agreements set forth in this Agreement if such breach shall remain unremedied for 30 days after the earlier of actual knowledge or the date on which written notice of such breach shall have been given to the CP Issuer and Ingram by the Liquidity Agent, the Collateral Agent or the CP Dealer;

(c) Any representation or warranty made by the CP Issuer or Ingram herein shall prove to have been incorrect in any material respect when made and such failure shall continue to be incorrect in such material respect for a period of 30 days after an officer of the CP Issuer or Ingram, as the case may be, shall acquire knowledge thereof;

(d) Any Lien created by any Facilities Document on the property encumbered thereby shall cease to be a valid and enforceable first priority perfected security interest in favor of the Collateral Agent (in the case of the Security Agreement), or any of Ingram, the Transferor or the CP Issuer shall so assert in writing, or any of the Collateral shall be subject to any Lien other than Permitted Liens;

(e) Notwithstanding any deemed waiver by the Banks under Section 6.03 hereof, the CP Issuer, the Transferor or Ingram shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally as they become due, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the CP Issuer, the Transferor, or Ingram seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, appointment of a receiver, trustee, liquidator or custodian, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of any order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property or assets, which, in the case of proceedings instituted against the CP Issuer, the Transferor, or Ingram, is consented to or acquiesced in by such Person or remains undismissed, undischarged or unbended for a period of 60 days; or the CP Issuer, the Transferor, or Ingram shall take any corporate action to authorize any of the actions set forth above in this subsection (e);

(f) Any material provision of any of the Facilities Documents shall, for any reason, cease to be valid and binding on the CP Issuer, the Transferor or Ingram, or the CP Issuer, the Transferor or Ingram shall so state in writing;

(g) Any judgment or order as to a liability or debt for the payment of money in excess of $4,750 shall be rendered against the CP Issuer which is not satisfied and either (i) enforcement proceedings shall have been commenced and shall be continuing by any creditor upon such judgment or order or (ii) there shall be any period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect;

(h) The CP Issuer shall become an "investment company" under the Investment Company Act of 1940, as amended;

(i) the Servicer, the Transferor or Ingram shall fail to perform or observe any other term, covenant or agreement in any Facilities Document or Purchase Agreement to which it is a party and such failure to perform or observe shall continue unremedied for 30 days after the earlier of actual knowledge by an officer of such Person or the date on which

written notice of such breach shall have been given to such Person by the Liquidity Agent or the Collateral Agent;

(j) Any Person shall engage in any nonexempt "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Benefit Plan of the CP Issuer, Ingram or any ERISA Affiliate thereof, (ii) any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan of the CP Issuer, Ingram or any of their respective ERISA Affiliates, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Plan of the CP Issuer, Ingram or any of their respective ERISA Affiliates, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Required Banks, likely to result in the termination of such Plan for purposes of Title IV of ERISA, (iv) any Plan of the CP Issuer, Ingram or any ERISA Affiliate thereof shall terminate for purposes of Title IV of ERISA, (v) the CP Issuer, Ingram or any ERISA Affiliate thereof shall, or in the reasonable opinion of the Required Banks is likely to, incur any liability in connection with a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan or (vi) any other event or condition shall occur or exist, with respect to a Benefit Plan of the CP Issuer, Ingram or any ERISA Affiliate thereof; and in each case in clauses (i) through (vi) above, such event or condition, together with all other such events or conditions, if any, would have a material adverse effect on the Collateral and the rights of the Banks with respect thereto;

(k) an Event of Termination with respect to any Series then outstanding or the Variable Funding Certificate shall occur;

(l) a Termination Notice shall be delivered pursuant to Section 10.01 of the Pooling and Servicing Agreement; or

(m) The Transferor shall fail (i) to pay any amount required to be paid pursuant to Section 7.03(b) on the date such amount was required to be paid, and such breach shall not be remedied within five Business Days, or (ii) to observe in any material respect the covenant set forth in Section 7.03(a), and such breach shall not be remedied within 30 days;

then, and in any such event, (x) if such event is an Event of Default specified in subsection 8.01(a)(i), (e) or (h) above, the Liquidity Commitment shall automatically and immediately terminate and the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the Loan Notes shall immediately become due and payable, and (y) if such event is any other Event of Default, either or both of the following actions may be taken (any such Event of Default followed by any of the following actions, a "Matured Default"): (i) upon the request of the Required Banks, the Liquidity Agent shall, by notice to the CP Issuer, declare the Liquidity Commitment to be terminated forthwith, whereupon the Liquidity Commitment shall immediately terminate; and (ii) upon the request of the Required Banks, the Liquidity Agent shall, by notice of default to the CP Issuer, declare the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the Notes to be due and payable forthwith, whereupon the same shall immediately become due and payable, provided, however, that no termination of the Liquidity Commitment pursuant to this Section 8.01 shall be effective with respect to Outstanding Commercial Paper as of the date of such termination to the extent of the Requisite Commitment Level. Except as expressly provided above in this Section 8.01, presentment, demand, protest and all other notices of any kind are hereby expressly waived.

ARTICLE IX

Representations and Warranties

SECTION 9.01 Representations and Warranties of the CP Issuer. In order to induce the Banks to enter into this Agreement and to provide the credit facilities provided for herein, the CP Issuer herein makes the representations and warranties contained in the Security Agreement (which are hereby incorporated by reference in this Article IX) and the following additional representations and warranties to the Banks:

(a) Organization; Powers. The CP Issuer (a) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) 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, (c) is qualified to do business in every jurisdiction where such qualification is required, and (d) has the corporate power and authority to execute, deliver and perform its obligations under each of the Facilities Documents and each other agreement or instrument contemplated thereby to which it is or will be a party, to borrow hereunder and to grant the Liens on the Collateral pursuant to the Security Agreement.

(b) Authorization. The execution, delivery and performance by the CP Issuer of each of the Facilities Documents and the other transactions contemplated hereby and thereby (a) have been duly authorized by all requisite corporate and, if required, stockholder action and (b) will not (i) violate (1) any provision of law, statute, rule or regulation, or of the certificate or articles of incorporation or other constitutive documents or by-laws of the CP Issuer, (2) any order of any Governmental Authority or (3) any provision of any indenture, agreement or other instrument to which the CP Issuer is a party or by which it or any of its property is or may be bound, (ii) conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under

any such indenture, agreement or other instrument or (iii) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by the CP Issuer, except the Liens created pursuant to the Security Agreement in favor of the Collateral Agent.

(c) Enforceability. This Agreement has been duly executed and delivered by the CP Issuer and constitutes, and each other Facilities Document when executed and delivered by the CP Issuer will constitute, a legal, valid and binding obligation of the CP Issuer enforceable against the CP Issuer in accordance with its terms except as such enforceability is subject to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally, and to the general principles of equity (regardless of whether enforcement is sought in 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 execution and performance of the Facilities Documents, except such as have been made or obtained and are in full force and effect.

(e) Federal Reserve Regulations.

(i) The CP Issuer is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

(ii) No part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, (i) to purchase or carry Margin Stock or to extend credit to others for the purpose of purchasing or carrying Margin Stock or to refund indebtedness originally incurred for such purpose or (ii) for any purpose that entails a violation of, or that is inconsistent with, the provisions of the Regulations of the Board, including Regulation G, U or X.

(f) Investment Company Act; Public Utility Holding Company Act. The CP issuer is not (i) an "investment company," or an "affiliated person" of, or "principal underwriter" or "promoter" for, an "investment company," as such terms are defined in, or subject to regulation under, the Investment Company Act of 1940, as amended, or (ii) a holding company" as defined in, or subject to regulation under, the Public Utility Holding Company Act of 1935.

(g) Subsidiaries. The CP Issuer has no Subsidiaries.

SECTION 9.02 Representations and Warranties of Ingram. In order to induce the Banks to enter into this Agreement and to provide the credit facilities provided for herein, Ingram herein makes the following representations and warranties to the Banks:

(a) Organization; Powers. Ingram (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 every jurisdiction where such qualification is required and where failure to so qualify would have a material adverse effect on the Holders of Commercial Paper and (iv) has the corporate power and authority to execute, deliver and perform its obligations under each of the Facilities Documents and each other agreement or instrument contemplated thereby to which it is or will be a party.

(b) Authorization. The execution, delivery and performance by Ingram of each of the Facilities Documents to which it is a party and the other transactions contemplated hereby and thereby (i) have been duly authorized by all requisite corporate and, if required, stockholder action and (ii) will not (a) violate (1) any provision of law, statute, rule or regulation, or of the certificate or articles of incorporation or other constitutive documents or by-laws of Ingram, (2) any order of any Governmental Authority or (3) any provision of any indenture, agreement or other instrument to which Ingram is a party or by which it or any material part of its property is or may be bound, (b) conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under any such indenture, agreement or other instrument or (c) result in the creation or imposition of any Lien upon or with respect to any material part of the property or assets now owned or hereafter acquired by Ingram.

(c) Enforceability. This Agreement has been duly executed and delivered by Ingram and constitutes, and each other Facilities Document to which it is a party when executed and delivered by Ingram will constitute, a legal, valid and binding obligation of Ingram enforceable against Ingram in accordance with its terms except as such enforceability is subject to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally, and to the general principles of equity (regardless of whether enforcement is sought in 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 execution and performance of the Facilities Documents to which Ingram is a party, except such as have been made or obtained and are in full force and effect.

(e) Federal Reserve Regulations. Ingram is not engaged

principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

(f) Status of Designated Subsidiaries. Each of the entities which is named a Designated Subsidiary meets the terms of the definition of Designated Subsidiary.

SECTION 9.03 Representations and Warranties of Funding. In order to induce the Banks to enter into this Agreement and to provide the credit facilities provided for herein, Funding herein makes the following representations and warranties to the Banks:

(a) Organization; Powers. Funding (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 every jurisdiction where such qualification is required and where failure to so qualify would have a material adverse effect on the Holders of Commercial Paper and (iv) has the corporate power and authority to execute, deliver and perform its obligations under each of the Facilities Documents and each other agreement or instrument contemplated thereby to which it is or will be a party.

(b) Authorization. The execution, delivery and performance by Funding of each of the Facilities Documents to which it is a party and the other transactions contemplated hereby and thereby (i) have been duly authorized by all requisite corporate and, if required, stockholder action and (ii) will not (a) violate (1) any provision of law, statute, rule or regulation, or of the certificate or articles of incorporation or other constitutive documents or by-laws of Funding, (2) any order of any Governmental Authority or (3) any provision of any indenture, agreement or other instrument to which Funding is a party or by which it or any material part of its property is or may be bound, (b) conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under any such indenture, agreement or other instrument or (c) result in the creation or imposition of any Lien upon or with respect to any material part of the property or assets now owned or hereafter acquired by Funding.

(c) Enforceability. This Agreement has been duly executed and delivered by Funding and constitutes, and each other Facilities Document to which it is a party when executed and delivered by Funding will constitute, a legal, valid and binding obligation of Funding enforceable against Funding in accordance with its terms except as such enforceability is subject to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally, and to the general principles of equity (regardless of whether enforcement is sought in 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 execution and performance of the Facilities Documents to which Funding is a party, except such as have been made or obtained and are in full force and effect.

(e) Federal Reserve Regulations. Funding is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

(f) Subsidiaries. Funding has no Subsidiaries.

ARTICLE X

Miscellaneous

SECTION 10.01 Computations. Unless otherwise specified herein, all computations of interest hereunder and under the Loan Notes shall be made on the basis of the actual number of days elapsed over a year of 365/66 days.

SECTION 10.02 Exercise of Rights. No failure or delay on the part of the Liquidity Agent, the Collateral Agent or any Bank to exercise any right, power or privilege under this Agreement, any other Facilities Document or any Purchase Agreement and no course of dealing between the CP Issuer and the Liquidity Agent, the Collateral Agent or any Bank shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies which the Liquidity Agent, the Collateral Agent or the Banks would otherwise have pursuant to law or equity. No notice to or demand on any party in any case 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 other party to any other or further action in any circumstances without notice or demand.

SECTION 10.03 Amendment and Waiver. (a) The CP Issuer shall not consent to any amendment, waiver, supplement, restatement, or other modification to any provision hereof or any other Facilities Document, the Purchase Agreement or any Subsidiary Purchase Agreement, or take any action which it is permitted to take thereunder, unless the same shall be consented to by the Required Banks; provided that any amendment that would (i) increase the amount of the Liquidity Commitment or the LOC Commitment or change the Percentage of any Bank or LOC Issuer, (ii) reduce any fees or

commissions payable to the Banks hereunder or under any other Facilities Document, (iii) result in a reduction in any interest rate (or any change in the method of calculating the interest rate), extension of the maturity date of any Loan, or forgiveness of any debt, (iv) alter the allocation or priority of payment of Collections set forth in Sections 8 and 9 of the Security Agreement, (v) release the Lien of any Collateral (except as expressly permitted by the Facilities Documents), (vi) change this Section (or any provision of this Agreement or any other Facilities Document that requires the unanimous consent of the Banks) or the percentage specified in the definition of Required Banks, (vii) extend any scheduled principal or interest payment or the Expiration Date, (viii) change the maximum duration of interest periods, or (ix) decrease the percentage set forth in the definition of Discount Factor, may only be amended, waived, supplemented, restated, discharged or terminated with the prior written consent of the CP Issuer and each Bank. Any amendment, waiver, supplement, restatement or other modification to any provision hereof that would affect the rights, duties or obligations of the Liquidity Agent shall not be effective without the Liquidity Agent's consent. No amendment, waiver, supplement, restatement or any other modification to any provision hereof that would materially increase the amount of any costs payable hereunder shall not be effective without the consent of the LOC Issuer. Each Bank and each subsequent holder of a Loan Note shall be bound by any waiver, amendment or modification authorized by this Section regardless of whether its Loan Notes shall have been marked to make reference thereto, and any consent by any Bank or holder of Loan Notes pursuant to this Section shall bind any Person subsequently acquiring a Loan Note from it, whether or not such Loan Note shall have been so marked.

(b) No amendment, waiver, supplement, restatement, discharge or termination contemplated under this Section 10.03 shall be effective until the CP Issuer and the Liquidity Agent shall have received written notice from each of S&P and Fitch, respectively, to the effect that such amendment, waiver, supplement, restatement, discharge or termination would not result in a withdrawal or reduction of the then-current rating on the Commercial Paper by such rating agency.

(c) The CP Issuer may, upon five Business Days' prior written notice given to the Liquidity Agent, replace any Bank not agreeing to a proposed amendment of the Pooling and Servicing Agreement, the Security Agreement or this Agreement with a financial institution having short term credit ratings of at least A-1 by S&P and, if rated by Fitch, F-1 by Fitch, respectively, to its short-term obligations, and such financial institution shall execute an Assignment and Acceptance and deliver it to the Liquidity Agent and shall comply with all the provisions of this Agreement, including, but not limited to, Section 10.05 hereof. No such replacement pursuant to this paragraph (c) shall be effective unless S&P and Fitch shall have confirmed in writing to the CP Issuer and the Liquidity Agent that such replacement would not result in a withdrawal or reduction of the then-current rating on the Commercial Paper.

SECTION 10.04 Expenses; Indemnity. (a) Provided that, in accordance with Section 10.12, all payment obligations of the CP Issuer with respect to Commercial Paper, Loan Notes and LOC Disbursements attributable to Refunding Drawings are then satisfied or provided for, the CP Issuer agrees to pay all reasonable out-of-pocket expenses (including reasonable attorneys' fees and expenses) incurred by the Liquidity Agent in connection with the preparation, negotiation, execution and delivery of this Agreement, the other Facilities Documents, the Purchase Agreement and any Subsidiary Purchase Agreement and the other documents delivered in connection herewith or therewith or in connection with any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions hereby or thereby contemplated shall be consummated), and the reasonable out-of-pocket expenses (including reasonable attorneys' fees and expenses) incurred by the Liquidity Agent or any Bank in connection with the enforcement or protection of their rights in connection with this Agreement, the other Facilities Documents, the Purchase Agreement and any Subsidiary Purchase Agreement or in connection with the Loans made or the Loan Notes issued hereunder, including, but not limited to, reasonable out-of-pocket costs and expenses in connection with the Liquidity Agent's optional annual field audits and the monitoring of assets. Subject to Section 10.12, the CP Issuer further agrees that it shall indemnify the Banks from and hold them harmless against any documentary taxes, assessments or charges made by any Governmental Authority by reason of the execution, delivery or performance of this Agreement or any of the other Facilities Documents, the Purchase Agreement or any Subsidiary Purchase Agreement.

(b) Subject to the express limitations of Sections 3.09, 3.10, 3.15, 3.16, 3.18 and 5.02, and further subject to Section 10.12, the CP Issuer agrees to indemnify the Liquidity Agent, each Bank and its directors, officers, employees and agents (each such Person being called an "Indemnitee") against, and to hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable counsel fees and expenses, incurred by or asserted against any Indemnitee arising out of, in any way connected with, or as a result of (i) the execution, delivery or performance of this Agreement, any of the other Facilities Documents, the Purchase Agreement, any Subsidiary Purchase Agreement or any agreement or instrument contemplated hereby or thereby, (ii) the use of the proceeds of the Advances or (iii) any claim, litigation, investigation or proceeding relating to any of the foregoing, or to the performance by the parties hereto of their respective obligations hereunder or thereunder or to the consummation of the transactions contemplated hereby or thereby; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses result from the gross negligence or wilful misconduct of such Indemnitee.

(c) The provisions of this Section shall remain operative and in full force and effect regardless of the expiration or termination of the term of this Agreement, the consummation of the transactions contemplated hereby and in the other Facilities Documents, the payment or prepayment of any of the Loans, the termination of the Liquidity Commitment, the invalidity or unenforceability of any term or provision of this Agreement or any other Facilities Documents or any investigation made by or on behalf of the Liquidity Agent or any Bank. All amounts due under this Section shall be payable on demand therefor in accordance with Section 9(a)seventh or (b)sixth of the Security Agreement, provided that, in accordance with Section 10.12, all payment obligations of the CP Issuer with respect to Commercial Paper, Loan Notes and LOC Disbursements attributable to Refunding Drawings are then satisfied or provided for.

SECTION 10.05 Successors and Assigns; Descriptive Headings. (a) This Agreement shall bind, and the benefits hereof shall inure to, the CP Issuer, the Liquidity Agent, Ingram, Funding and the Banks and their respective successors and assigns; provided that the CP Issuer may not transfer or assign any or all of its rights and obligations hereunder without the prior written consent of each Bank.

(b) Any Bank may with the consent of the Transferor, Ingram and the Liquidity Agent, which may be withheld in the sole discretion of Ingram, the Transferor and the Liquidity Agent (except that no such consent shall be required for an assignment by any Bank to any of its Affiliates), assign to any Bank or other financial institution (each an "Assignee"), all or any portion of its obligation to make Loans hereunder, if (i) the short-term obligations of the bank proposing to purchase such obligation are rated not lower than A-1 by S&P and, if rated by Fitch, F-1 by Fitch, respectively, (ii) such bank delivers an opinion of counsel in a form reasonably acceptable to the CP Issuer, the Transferor, the CP Dealer, and the Depositary as to matters referred to in Section 6.01(o) and (iii) S&P and Fitch shall have confirmed prior to such sale, transfer or assignment in writing to the CP Issuer and the Liquidity Agent that such sale, transfer or assignment would not result in a withdrawal or reduction of the then-current rating by S&P and Fitch, respectively, of the Commercial Paper, (iv) as a result of such sale, transfer or assignment, neither S&P nor Fitch would require an increase in the Liquidity Commitment or other credit enhancement or any other amendment to the Facilities Documents and (v) the parties to each such assignment shall execute and deliver to the Liquidity Agent, for its acceptance, an Assignment and Acceptance, together with a processing fee of $250 (which shall not be an obligation of the CP Issuer); provided, however, that the amount of the Percentage of the Liquidity Commitment of the assigning Bank subject to each assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment is delivered to the Liquidity Agent) shall not be less than $5,000,000 (unless the CP Issuer and the Liquidity Agent shall otherwise agree in writing) and the amount of the Percentage of the Liquidity Commitment of such Bank remaining after such assignment shall not be less than $5,000,000 or zero (unless the CP Issuer and the Liquidity Agent shall otherwise agree in writing). Upon such execution, delivery and acceptance from and after the effective date specified in each Assignment and Acceptance, (x) the Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Bank hereunder and (y) the Bank assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto but shall continue to be entitled to the benefit of indemnities arising with respect to events or circumstances arising while a party hereunder). Any such Assignee shall make the representation and warranty contained in Section 10.15(a) hereof and shall agree to be bound by the provisions of Section 10.11 hereof.

(c) By executing and delivering an Assignment and Acceptance, the Bank assignor thereunder and the Assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Bank makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any of the other Facilities Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any of the other Facilities Documents or any other instrument or document furnished pursuant hereto other than that it is the legal and beneficial owner of the interest being assigned by it thereunder and that such interest is free and clear of any Liens granted by such assigning Bank; (ii) such assigning Bank makes no representation or warranty and assumes no responsibility with respect to the financial condition or creditworthiness of the CP Issuer, the Trust, the Transferor, Ingram or any Trust Assets or the performance or observance by the CP Issuer, the Trustee, the Transferor or Ingram of any of their respective obligations in any of the Facilities Documents or the Purchase Agreement, in the case of Ingram, or any other instrument or document furnished pursuant hereto or thereto to which it is a party; (iii) such Assignee will, independently and without reliance upon the Liquidity Agent, such assigning Bank or any other Bank and based on such documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such Assignee will, independently and without reliance upon either Liquidity Agent, such assigning Bank or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decision in taking or not taking action under this Agreement and any other Facilities Document; (v) such Assignee appoints and authorizes the Liquidity Agent and the Collateral Agent to

take such action as agent on its behalf and to exercise such powers under this Agreement and the other Facilities Documents as are delegated to each of them by the terms hereof and thereof, together with such powers as are reasonably incidental thereto; and (vi) such Assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Bank.

(d) Upon its receipt of an Assignment and Acceptance executed by an assigning Bank and an Assignee, and the processing fee referred to in Section 10.05(b), the Liquidity Agent (i) may, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit F hereto, accept such Assignment and Acceptance and (ii) if it shall so accept such Assignment and Acceptance, shall give prompt notice thereof to the CP Issuer. Within five Business Days after its receipt of such notice, the CP Issuer shall execute and deliver to the Liquidity Agent in exchange for the surrendered Loan Notes new Loan Notes to the order of such Assignee in an amount equal to the amount of the Percentage of the Liquidity Commitment assumed by it pursuant to such Assignment and Acceptance and, if the assigning Bank has retained any Percentage of the Liquidity Commitment here under, new Loan Notes to the order of the assigning Bank in an amount equal to the Percentage of the Liquidity Commitment retained by it hereunder. Such Loan Notes shall be in an aggregate principal amount equal to the aggregate principal amount outstanding under such surrendered Loan Notes, shall be dated the Initial Closing Date and shall otherwise be in substantially the form of the Loan Notes subject to such assignments.

(e) Subject to written consent by Ingram, each Bank and any Participant (as defined below) may, at any time, grant participations, or any existing Participant may assign all or part of its participation to any other person, firm or corporation (a "Participant") in any amount of $4,000,000 or greater in all or any part of any Loan or Loans, in which event the Participant shall not have any rights under the Loan Documents (the Participant's rights against such Bank in respect of participation to be those set forth in the agreement executed by such Bank in favor of the Participant relating thereto) and all amounts payable by the CP Issuer hereunder shall be determined as if such Bank had not sold such participation; provided that any such Participant shall be entitled to the benefits of the payments required to be made by the CP Issuer pursuant to Sections 3.09, 3.10, 3.15, 3.16, 3.18, 5.02 and 10.04 hereof only to the extent the Bank selling such participation is entitled thereto. In the event of any such sale by a Bank of participating interests to a Participant, such Bank's obligations under this Agreement shall remain unchanged, such Bank shall remain solely responsible for the performance thereof, such Bank shall remain the holder of any such Loan Note for all purposes under this Agreement, and the CP Issuer and the Liquidity Agent shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement except that each Participant shall be entitled to vote on any and all matters on which a Bank is entitled to vote as set forth in Section lO.O5(f).

(f) Any agreement pursuant to which any Bank may grant a participating interest shall provide that (i) each Participant shall be entitled to vote on any and all matters on which Banks are entitled to vote hereunder; (ii) such vote shall be counted based upon the percentage that such Participant's amount of participation bears to the Liquidity Commitment (the "Participant's Voting Percentage") except that on matters hereunder which require the consent of each Bank, such Bank shall not be entitled to cast its vote approving such matters without the approval of each of its Participants, (iii) such Bank shall promptly advise each Participant in writing (or by telephone confirmed promptly thereafter in writing) of any matters which require the approval, vote or consent of the Banks, (iv) when voting such Bank shall cast its Percentage severally to reflect the manner in which it has been instructed in writing (or by telephone confirmed promptly thereafter in writing) to vote the Participant's Voting Percentage of each of such Bank's Participants and (v) each Participant shall agree to the terms set forth in the covenants contained in Section 10.15(b). The voting rights of the Participants set forth in this Section 10.05(f) shall include, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement.

(g) Each Bank may furnish any information concerning the CP Issuer, the Trust, the Transferor, Ingram or any Trust Assets in the possession of such Bank from time to time to Assignees and Participants (including the prospective Assignees and Participants) only with the prior written consent of Ingram, which consent shall be deemed to have been so given to each of the Participants set forth in Schedule 3 hereto upon the execution of an agreement by each such Participant agreeing to abide by the terms of Section 10.15(b). As a condition thereto, any Assignee or Participant (other than those set forth in Schedule 3) or proposed Assignee or Participant shall have agreed in writing prior to receiving any such information to the terms set forth in the covenant contained in Section 10.15(b) hereof.

(h) The descriptive headings of the various sections of this Agreement are inserted for convenience of reference only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

SECTION 10.06 Notices, Requests, Demands. Except where telephonic instructions or notices are expressly authorized herein to be given, all notices, demands, instructions, requests, consents and other communications required or permitted to be given to or made upon any party hereto or other Person listed below shall be in writing and shall be personally delivered or sent by registered, certified or express mail, postage prepaid, return receipt requested, or by telex, facsimile transmission, TWX or prepaid

telegram (with messenger delivery specified in the case of a telegram) and shall be deemed to be given for purposes of this Agreement on the day that such writing is received by the intended recipient thereof in accordance with the provisions of this Section. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Section, notices, demands, instructions, requests, consents and other communications in writing shall be given to or made upon the respective parties hereto or other Person listed below at their respective addresses (or to their respective telex, facsimile transmission or TWX numbers) indicated below and, in the case of telephonic instructions or notices, by calling the telephone number or numbers indicated for such party below or such other Person or at any other address (including any other telex, facsimile transmission or TWX numbers) or telephone number or numbers, as the case may be, as any party hereto or such other Person may notify to the other parties hereto or other Person in accordance with the provisions of this Section 10.06.

If to the CP Issuer, to it at:

Distribution Funding Corporation
c/o Merrill Lynch
World Financial Center,
South Tower
225 Liberty Street, 8th Floor
New York, New York 10080-6108
Attention: Gary Carlin, Treasurer
Tel. No. (212) 236-7200
Telecopy No. (212) 236-7584

If to the Liquidity Agent, to it at:

the address set forth in Schedule I hereto

If to the Banks, to the respective addresses set forth underneath their respective names on the signature pages hereto.

If to the CP Dealer, to it at:

Merrill Lynch Money Markets Inc.
Merrill Lynch World Headquarters
World Financial Center - North Tower
250 Vesey Street - 10th Floor
New York, New York 10281-1218
Attention: CP Product Management
Tel. No. (212) 449-0332
Telecopy No. (212) 449-1787

If to the Depositary:

Chemical Bank
450 West 33rd Street
New York, New York 10001
Attention: Corporate Trust Department
Tel. No. (212) 971-3350
Telecopy No. (212) 613-7799

If to the Transferor:

Ingram Funding Inc.
1105 North Market Street
Wilmington, Delaware 19801
Attention: President
Tel. No. (302) 427-7650
Telecopy No. (302) 427-7663

If to Ingram:

Ingram Industries Inc.
One Belle Meade Plaza
4400 Harding Road
Nashville, Tennessee 37205
Attention: Treasurer
Tel. No. (615) 298-8200
Telecopy No. (615) 298-8242

If to Fitch:

Fitch Investors Service, Inc.
One State Street Plaza
New York, New York 10007
Attention: Steven Schoen
Tel. No . (212) 908-0500
Telecopy No. (212) 480-4430

If to S&P:

Standard & Poor's Corporation
26 Broadway (15th Floor)
New York, New York 10004
Attention: Asset Backed Surveillance Department
Tel. No. (212) 208-1370
Telecopy No. (212) 412-0225

SECTION 10.07 Survival of Representations and Warranties. All covenants, agreements, representations and warranties made by the CP Issuer

herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Facilities Document shall be considered to have been relied upon by the Banks and the Liquidity Agent and shall survive the execution and delivery of this Agreement and the making by the Banks of the Loans, and the execution and delivery to the Banks of the Loan Notes evidencing such Loans, regardless of any investigation made by any Bank or the Liquidity Agent or on their behalf and shall continue so long as and until such time as all indebtedness hereunder and under the Commercial Paper and the Loan Notes shall have been paid in full and the Liquidity Commitment has been terminated.

SECTION 10.08 Counterparts. This Agreement may be executed in any number of counterparts, including telefax transmission thereof and by the different parties hereto on the same or separate counterparts, each of which shall be deemed to be an original instrument but all of which together shall constitute one and the same agreement. Complete counterparts of this Agreement shall be lodged with the CP Issuer and the Liquidity Agent.

SECTION 10.09 Adjustments. Each Bank agrees that if it shall, pursuant to a secured claim under Section 506 of Title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim, received by such Bank under any applicable bankruptcy, insolvency or other similar law or otherwise, or by any other means, obtain payment (voluntary or involuntary) in respect of any Loan or Loans as a result of which the unpaid principal portion of its Loans shall be proportionately less than the unpaid principal portion of the Loans of any other Bank, it shall be deemed simultaneously to have purchased from such other Bank at face value, and shall promptly pay to such other Bank the purchase price for, a participation in the Loans of such other Bank, so that the aggregate unpaid principal amount of the Loans and participations in Loans held by each Bank shall be in the same proportion to the aggregate unpaid principal amount of all Loans then outstanding as the principal amount of its Loans prior to such event was to the principal amount of all Loans outstanding prior to such event; provided, however, that, if any such purchase or purchases or adjustments shall be made pursuant to this Section and the payment giving rise thereto shall thereafter be recovered, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustment restored without interest. The CP Issuer expressly consents to the foregoing arrangements.

SECTION 10.10 Further Assurances. The CP Issuer agrees to do such further acts and things and to execute and deliver to the Liquidity Agent such additional assignments, agreements, powers and instruments as the Liquidity Agent may require or deem advisable to carry into effect the purposes of this Agreement or better to assure and confirm unto the Liquidity Agent the rights, powers and remedies of the Liquidity Agent and the Banks hereunder.

SECTION 10.11 No Bankruptcy Petition Against the CP Issuer. The Liquidity Agent and each Bank severally and not jointly, hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of all outstanding Commercial Paper and Loan Notes, it will not institute against, or join any other Person in instituting against, the CP Issuer any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States.

SECTION 10.12 No Recourse. The obligations of the CP Issuer under this Agreement and the Loan Notes, are solely the corporate obligations of the CP Issuer. No recourse shall be had for the payment of any amount owing in respect of Loans or for the payment of any fee hereunder or any other obligation or claim arising out of or based upon this Agreement and the Loan Notes against any stockholder, employee, officer, director or incorporator of the CP Issuer. Each of the Banks and the Liquidity Agent also agrees that the obligations of the CP Issuer to the Banks and the Liquidity Agent hereunder, including without limitation all obligations of the CP Issuer in respect of fees and indemnity pursuant to Section 3.09, 3.10, 3.15, 3.16, 3.18, 5.02 and 10.04, shall be payable solely from the Collateral in accordance with the Security Agreement and that the Banks and the Liquidity Agent shall not look to any other property or assets of the CP Issuer in respect of the obligations arising under such Sections and that such obligations shall not constitute a claim against the CP Issuer in the event that the CP Issuer's assets are insufficient to pay in full such obligations and that such obligations are fully subordinated to the CP Issuer's obligations under the Commercial Paper and the Loan Notes.

SECTION 10.13 Appointment and Rights of the Liquidity Agent. (a) Each Bank hereby irrevocably appoints Chemical Bank as its Liquidity Agent hereunder and under the other Facilities Documents and hereby authorizes the Liquidity Agent to take such action on its behalf and to exercise such rights, remedies, powers and privileges hereunder or thereunder as are specifically authorized to be exercised by the Liquidity Agent by the terms hereof or thereof, together with such rights, remedies, powers and privileges as are reasonably incidental thereto. The Liquidity Agent may execute any of their duties hereunder and under any other Facilities Document by or through agents or employees. The relationship between the Liquidity Agent and each Bank is that of agent and principal only, and nothing herein shall be deemed to constitute the Liquidity Agent a trustee for any Bank or impose on the Liquidity Agent any obligations other than those for which express provision is made herein or in any other Facilities Document. The Liquidity Agent is solely an agent of the Banks and shall not have any obligation to any holder of Commercial Paper, whether as agent, trustee or otherwise.

(b) The obligations of the Liquidity Agent are only those expressly set forth herein or in the other Facilities Documents. Without limiting the generality of the foregoing, the Liquidity Agent shall not be required to take any action with respect to any Event of Default or Event of Termination, except as expressly provided in Article VIII hereof.

(c) Neither the Liquidity Agent nor any of its directors, officers, agents or employees, shall be liable for any action taken or omitted to be taken by them hereunder or under any other Facilities Document, or in connection herewith or therewith, (i) with the consent or at the request of the Required Banks or (ii) in the absence of their own gross negligence or wilful misconduct. The Liquidity Agent may consult with legal counsel (including counsel for the CP Issuer, the Transferor or Ingram), independent public accountants and other experts selected by them and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts. Neither the Liquidity Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statements, warranties or representations made (whether written or oral) in or in connection with this Agreement, any other Facilities Document, the Purchase Agreement, any Subsidiary Purchase Agreement or any other document furnished pursuant hereto or thereto or in connection herewith or therewith; (ii) the performance, observance or satisfaction of any of the terms, covenants or conditions of this Agreement, any other Facilities Document, the Purchase Agreement, any Subsidiary Purchase Agreement on the part of any party hereto or thereto or to inspect the property (including the books and records) of the CP Issuer, the Transferor, Ingram, any Designated Subsidiary or the Trust; or (iii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any other Facilities Document, the Purchase Agreement, any Subsidiary Purchase Agreement or any other instrument or document furnished pursuant hereto or thereto. Without limiting the generality of the foregoing, the Liquidity Agent shall not be deemed to have notice or knowledge of the existence of any Event of Default or Event of Termination unless (x) the Liquidity Agent is notified of such Event of Default or Event of Termination in accordance with the terms of the Facilities Documents or (y) an officer of the Liquidity Agent who has ongoing responsibility for the administration of the Liquidity Agent's activities in such capacity has actual knowledge of such Event. If the Liquidity Agent obtains such knowledge it will promptly notify the Banks, and any Bank obtaining knowledge of the existence of an Event of Default or Event of Termination as aforesaid (other than by notice from the Liquidity Agent) will notify the Liquidity Agent. The Liquidity Agent (i) shall incur no liability under or in respect of this Agreement or any other Facilities Document, the Purchase Agreement, any Subsidiary Purchase Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by telegram, TWX or Telex) or telephonic instruction, to the extent authorized herein or therein, believed by it to be genuine and signed or sent by the proper party or parties and (ii) may treat the payee of any Loan Note as the holder thereof until the Liquidity Agent receives an Assignment and Acceptance signed by the assigning Bank and the Assignee and all the conditions precedent to the effectiveness thereof have been satisfied.

(d) Each Bank hereby agrees, in the ratio that such Bank's Percentage of the Liquidity Commitment hereunder bears to the Liquidity Commitment, to indemnify and hold harmless the Liquidity Agent, from and against any and all losses, liabilities (including liabilities for penalties), actions, suits, judgments, demands, damages, costs and expenses of any kind whatsoever (including, without limitation, fees and expenses of attorneys, accountants and experts) incurred or suffered by the Liquidity Agent in its capacity as Liquidity Agent hereunder as a result of any action taken or omitted to be taken by the Liquidity Agent in such capacity or otherwise incurred or suffered by, made upon, or assessed against the Liquidity Agent in such capacity; provided, that no Bank shall be liable for any portion of any such losses, liabilities (including liabilities for penalties), actions, suits, judgments, demands, damages, costs or expenses resulting from or attributable to gross negligence or wilful misconduct on the part of the Liquidity Agent or its officers, employees or agents, as determined by a court of competent jurisdiction by final and nonappealable judgment. Without limiting the generality of the foregoing, each Bank hereby agrees, in the ratio aforesaid, to reimburse the Liquidity Agent promptly following its demand for any out-of-pocket expenses (including, without limitation, attorneys' fees and expenses) incurred by the Liquidity Agent hereunder or under any other Facilities Document, the Purchase Agreement or any Subsidiary Purchase Agreement in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities hereunder or under such Agreements, and not promptly reimbursed to the Liquidity Agent by the CP Issuer. Each Bank's obligations under this paragraph shall survive the termination of this Agreement and the discharge of the CP Issuer's obligations hereunder.

(e) The Banks agree that Chemical Bank and its Affiliates shall have the same rights and powers hereunder as any other Bank or holder of a Loan Note and may exercise or refrain from exercising the same as though Chemical Bank were not the Liquidity Agent and the terms "Banks," holders of Loan Notes," or any similar terms shall, unless the context clearly otherwise indicates, include Chemical Bank, in its individual capacity. Chemical Bank and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of banking, trust or other business with the CP Issuer or any of its Affiliates or any Person who may do business with or own securities of the CP Issuer or any Obligor or any of their respective Affiliates as if it were not the Liquidity Agent hereunder and may accept fees and other consideration from the CP Issuer, or any of its Affiliates for services in connection with this Agreement and

otherwise without having to account for the same to any Bank.

(f) Each Bank expressly agrees that the Liquidity Agent shall enter into the Security Agreement on its behalf, and expressly consents to the priority of payments set forth in the Security Agreement.

Each Bank recognizes that applicable laws, rules, regulations or guidelines of Governmental Authorities may require the Liquidity Agent to determine whether the transactions contemplated hereby should be classified as "highly leveraged" or assigned any similar or successor classification, and that such determination may be binding upon the Banks. Each Bank understands that any such determination shall be made solely by the Liquidity Agent based upon such factors (which may include the Liquidity Agent's internal policies and prevailing market practices) as the Liquidity Agent shall deem relevant and agrees that the Liquidity Agent shall have no liability for the consequences of any such determination.

SECTION 10.14 Resignation by the Liquidity Agent. The Liquidity Agent may resign as such at any time upon at least 30 days' prior written notice to the CP Issuer, the Depositary, the Collateral Agent, the Banks, the CP Dealer and the Rating Agencies, and the Liquidity Agent shall be obligated to resign upon at least 30 days' prior written notice from the CP Issuer after the Liquidity Agent shall have become an affected Bank that the CP Issuer has elected to replace pursuant to Section 3.14 hereof; provided, however, that the resignation of the Liquidity Agent shall not be effective until the later of (i) the date upon which the Banks shall have agreed to the appointment of another Bank to perform the duties of the Liquidity Agent hereunder and the CP Issuer shall have consented to such appointment, which consent shall not be unreasonably withheld, and (ii) if the Liquidity Agent is an affected Bank under Section 3.14 hereof, the date on which the Liquidity Agent ceases to be a Bank. In the event of such resignation, the Required Banks shall as promptly as practicable appoint a successor agent to replace the Liquidity Agent. Notwithstanding the resignation of the Liquidity Agent hereunder, the provisions of Section 10.13 shall continue to inure to the benefit of the Liquidity Agent in respect of any action taken or omitted to be taken by the Liquidity Agent in its capacity as such while it was such under this Agreement.

SECTION 10.15 Representation and Warranty and Covenants of the Banks and the Liquidity Agent.

(a) Each Bank and the Liquidity Agent hereby represents and warrants that this Agreement has been duly authorized, executed and delivered by it.

(b) Unless otherwise agreed to in writing by each of the CP Issuer and Ingram, the Liquidity Agent and the Banks hereby agree to keep all Proprietary Information (as defined below) confidential and not to disclose or reveal any Proprietary Information to any Person other than the Liquidity Agent's or such Bank's directors, officers, employees, Affiliates and agents, and subject to Section 10.05(f), actual or potential Assignees and actual or potential participants; provided, however, that the Liquidity Agent or any of the Banks may disclose Proprietary Information (i) as required by law, rule, regulation or judicial process, (ii) to its attorneys and accountants who are expected to become engaged in rendering advice or assistance in connection therewith, (iii) as requested or required by any state, Federal or foreign authority or examiner regulating banks or banking or (iv) in connection with any enforcement of any of their rights under the Facilities Documents. For purposes of this Agreement, the term "Proprietary Information" shall include all information about the CP Issuer, Ingram, or any of their Affiliates which has been furnished or made available by the CP Issuer, Ingram, or any of their Affiliates, whether furnished or made available before or after the date hereof, and regardless of the manner in which it is furnished or made available; provided, however, that Proprietary Information does not include information which (x) is or becomes generally available to the public other than as a result of a disclosure by the Liquidity Agent or any of the Banks not permitted by this Agreement, (y) was available to the Liquidity Agent or any of the Banks on a nonconfidential basis prior to its disclosure to the Liquidity Agent or any of the Banks by the CP Issuer, Ingram, or any of their Affiliates or (z) becomes available to the Liquidity Agent or any of the Banks on a nonconfidential basis from a Person other than the CP Issuer, Ingram, or any of their Affiliates who, to the best knowledge of the Liquidity Agent or any of the Banks, as the case may be, is not otherwise bound by a confidentiality agreement with the CP Issuer, Ingram, or any of their Affiliates, or is not otherwise prohibited from transmitting the information to the Liquidity Agent or any of the Banks.

(c) Each Bank represents to the Liquidity Agent, and each of the other Banks that it in good faith is not relying on any Margin Stock as collateral in the extension or maintenance of the credit provided for in this Agreement.

(d) Each Bank acknowledges that it has, independently and without reliance upon the Liquidity Agent or any other Bank, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and to make Loans hereunder. Each Bank also acknowledges that it will, independently and without reliance on the Liquidity Agent or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking any action under this Agreement.

(e) Except as otherwise expressly provided herein, the Liquidity Agent agrees to deliver to each Bank (i) by the close of business on the day of receipt a copy of each Settlement Statement, (ii) promptly after such Bank's request, a copy of each Daily Report requested and (iii)

promptly after receipt, each opinion, certificate, notice or other document delivered to the Liquidity Agent under any Facilities Document or the Purchase Agreement.

SECTION 10.16 [Reserved].

SECTION 10.17 Third-Party Beneficiaries. This Agreement shall inure to the benefit of and be binding upon, the parties hereto and their respective successors and permitted assigns. The Liquidity Agent and the Banks hereby acknowledge that (i) pursuant to the Security Agreement, the CP Issuer has granted to the Collateral Agent for the benefit of the Secured Parties, including the holders of Commercial Paper, a security interest in the Collateral and (ii) the Depositary and the Commercial Paper holders are third-party beneficiaries of such rights of the CP Issuer to the extent of such security interest in the Collateral, provided that (a) the holders of Commercial Paper shall have no greater rights against the Liquidity Agent or the Banks in respect of the Collateral than the CP Issuer, and (b) the Liquidity Agent and the Banks shall have no greater obligations to such holders in respect of the Collateral than the Liquidity Agent and the Banks have to the CP Issuer.

SECTION 10.18 Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT AND UNDER THE LOAN NOTES SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

SECTION 10.19 Waiver And Jury Trial. EACH OF THE CP ISSUER, THE LIQUIDITY AGENT AND THE BANKS HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO ANY OF THE FACILITIES DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY.

SECTION 10.20 Jurisdiction; Consent to Service of Process. (a) The CP Issuer hereby irrevocably and unconditionally submits, for itself and its property, to the non-exclusive jurisdiction of any New York State court and Federal courts of the United States sitting in New York State and each Bank which is authorized to transact business in New York State hereby irrevocably and unconditionally submits to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b) The CP Issuer hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 10.06. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 10.21 Entire Agreement. This Agreement completely sets forth the agreements between the parties and fully supersedes all prior agreements, both written and oral, relating to all matters set forth herein except to the extent set forth in other Facilities Documents or (as to the amounts of certain fees) in various letters referred to in the Facilities Documents.

SECTION 10.22 Acknowledgements. The CP Issuer hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the Loan Notes;

(b)neither the Liquidity Agent nor any Bank has any fiduciary relationship to the CP Issuer, and the relationship between the Liquidity Agent and the Banks, on the one hand, and the CP Issuer, on the other hand, is solely that of debtor and creditor; and

(c) no joint venture exists among the Banks or among the CP Issuer and the Banks.

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

DISTRIBUTION FUNDING CORPORATION

/s/

By _____

Name: Hans Bald

Title: Vice President

CHEMICAL BANK,
as the Liquidity Agent and as a Bank

/s/
By _____
Title: Vice President
Attn:

NATIONSBANK OF NORTH CAROLINA, N . A.

/s/
By _____
Title: Vice President
Attn:

THE BANK OF NOVA SCOTIA

/s/
By _____
Name: P.M. Brown
Title: Representative

INGRAM INDUSTRIES INC.

/s/
By _____
Name:
Title:

INGRAM FUNDING INC.

/s/
By _____
Name:
Title:

EXHIBIT A

FORM OF REVOLVING LOAN NOTE

$ * New York, New York _____, 19__

On the Expiration Date the undersigned, a Delaware corporation (the "CP Issuer"), FOR VALUE RECEIVED, promises to pay to the order of _____ (the "Bank"), or its registered assigns at the office of Chemical Bank (the "Liquidity Agentn) at 277 Park Avenue, New York, New York 10017, the principal sum of _____** United States Dollars (U.S. $_____) or, if less, the aggregate unpaid principal amount of all Revolving Loans made by the Bank to the CP Issuer pursuant to the Liquidity Agreement referred to below.

- -----------------
* Insert amount equal to the Percentage of the Liquidity Commitment of the appropriate Bank in figures.

** Insert amount equal to the Percentage of the Liquidity Commitment of the appropriate Bank in words.

The CP Issuer also promises to pay interest on the unpaid principal amount hereof from time to time outstanding from the date hereof until maturity (whether by acceleration or otherwise) at the rates per annum specified in Section 3.06(a) of the Liquidity Agreement and, after maturity, until paid, at the rates per annum specified in Section 3.06(b) and, in each case to the extent applicable, Section 3.18 of the Liquidity Agreement, said interest to be payable to the Bank at the aforesaid office of the Liquidity Agent on such dates as are specified in the Liquidity Agreement and at maturity (whether by acceleration or otherwise).

Payments of both principal and interest are to be made in lawful money of the United States of America and in immediately available funds in accordance with the Liquidity Agreement.

This Revolving Loan Note evidences indebtedness incurred under, and is subject to the terms and provisions of and entitled to the benefits of, a Liquidity Agreement, dated as of February 10, 1993 (as from time to time amended, the "Liquidity Agreement"), among the CP Issuer, certain lenders (including the Bank) and the Liquidity Agent. Terms defined in Annex X to the Liquidity Agreement are used herein as therein defined. Reference is

hereby made to the Liquidity Agreement for a statement of its terms and provisions, including those under which this Revolving Loan Note may be paid prior to its due date or its due date may be accelerated.

This Revolving Loan Note is secured by and is entitled to the benefits of a Security Agreement, dated as of February 10, 1993, as from time to time further amended, among the CP Issuer and the Collateral Agent and, solely for the limited purpose described therein, the Depositary, the Liquidity Agent, each LOC Issuer, the CP Dealer and the Manager.

All parties hereto, whether as makers, endorsers, or otherwise, severally waive presentment for payment, demand, protest and notice of dishonor.

THIS REVOLVING LOAN NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

DISTRIBUTION FUNDING CORPORATION

By _____
Authorized Signatory

SCHEDULE

Date	Amount and Type of Revolving Loan Made or Converted	Amount of Prinicipal Paid	Unpaid Principal Balance of Note	Name of Person Making Notation

EXHIBIT B

B FORM OF REFUNDING LOAN NOTE

$ * New York, New York
_____, 19__

On the Expiration Date the undersigned, a Delaware corporation (the "CP Issuer"), FOR VALUE RECEIVED, promises to pay to the order of (the "Bank"), or its registered assigns at the office of Chemical Bank (the Liquidity Agentn) at 277 Park Avenue, New York, New York 10017, the principal sum of ** United States Dollars (U.S. $_____) or, if less, the aggregate unpaid principal amount of all Refunding Loans made by the Bank to the CP Issuer pursuant to the Liquidity Agreement referred to below.

- -----------------
* Insert amount equal to the Percentage of the Liquidity Commitment of the appropriate Bank in figures.

** Insert amount equal to the Percentage of the Liquidity Commitment of the appropriate Bank in words.

The CP Issuer also promises to pay interest on the unpaid principal amount hereof from time to time outstanding from the date hereof until maturity (whether by acceleration or otherwise) at the rates per annum specified in Section 3.06(a) of the Liquidity Agreement and, after maturity, until paid, at the rate per annum specified in Section 3.06(b) and, in each case to the extent applicable, Section 3.18 of the Liquidity Agreement, said interest to be payable to the Bank at the aforesaid office of the Liquidity Agent on such dates as are specified in the Liquidity Agreement and at maturity (whether by acceleration or otherwise).

Payments of both principal and interest are to be made in lawful money of the United States of America and in immediately available funds in accordance with the Liquidity Agreement.

This Refunding Loan Note evidences indebtedness incurred under, and is subject to the terms and provisions of and entitled to the benefits of, a Liquidity Agreement, dated as of February 10, 1993 (as from time to

time amended, the "Liquidity Agreement"), among the CP Issuer, certain lenders
(including the Bank) and the Liquidity Agent. Terms defined in Annex X to the Liquidity Agreement are used herein as therein defined.

Reference is hereby made to the Liquidity Agreement for a statement of its terms and provisions, including those under which this Refunding Loan Note may be paid prior to its due date or its due date may be accelerated.

This Refunding Loan Note is secured by and is entitled to the benefits of a Security Agreement, dated as of February 10, 1993, as from time to time amended, among the CP Issuer, Chemical Bank, as Collateral Agent under such

Security Agreement, Chemical Bank, as Depositary and the Liquidity Agent.

All parties hereto, whether as makers, endorsers, or otherwise, severally waive presentment for payment, demand, protest and notice of dishonor.

THIS REFUNDING LOAN NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

DISTRIBUTION FUNDING CORPORATION

By _____
Authorized Signatory

SCHEDULE

Date	Amount of Refunding Loan	Amount of Prinicipal Paid	Unpaid Principal Balance of Note	Name of Person Making Notation

EXHIBIT C
SEE TAB ONE

EXHIBIT D
SEE TAB FOURTEEN

EXHIBIT E
SEE TAB TWELVE

EXHIBIT F

FORM OF ASSIGNMENT AND ACCEPTANCE

Dated as of: _____, 199_

Reference is made to the Liquidity Agreement dated as of February 10, 1993 (as restated, amended, modified, supplemented and in effect from time to time, the "Liquidity Agreement"), among Distribution Funding Corporation, a Delaware corporation (the CP Issuer"), the Banks named therein, Chemical Bank, as agent for the Banks (the "Liquidity Agent"). Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Liquidity Agreement. This Assignment and Acceptance between the Assignor (as set forth on Schedule I hereto and made a part hereof) and the Assignee (as set forth on Schedule I hereto made a part hereof) is dated as of the Effective Date (as set forth on Schedule I hereto and made a part hereof).

1. The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocable purchases and assumes from the Assignor without recourse to the Assignor, as of the Effective Date set forth on Schedule I hereto, an undivided interest (the "Assigned Interest") in and to all the Assignor's rights and obligations under the Liquidity Agreement respecting those and only those, credit facilities contained in the Liquidity Agreement as are set forth on Schedule I (the "Assigned Facilities"), in a principal amount for each Assigned Facility as set forth on Schedule I.

2. The Assignor (i) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Liquidity Agreement, or any other of the Facilities Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Liquidity Agreement, any other of the Facilities Documents or any other instrument or document furnished pursuant thereto, other than that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any Liens granted by such assigning Bank; (ii) makes no representation or warranty and assumes no

responsibility with respect to the financial condition or creditworthiness of the CP Issuer, the Trust, the Transferor, Ingram or any Trust Assets or the performance or observance by the CP Issuer, the Trustee, the Transferor or Ingram of any of their respective obligations under the Liquidity Agreement, any of the other Facilities Documents or the Purchase Agreement in the case of Ingram or any other instrument or document furnished pursuant thereto; and (iii) requests that the Liquidity Agent request that the CP Issuer exchange each Loan Note held by it evidencing the Assigned Facilities for a new Loan Note payable to the Assignor (if the Assignor has retained any interest in the Assigned Facility) and a new Loan Note or Loan Notes payable to the Assignee in the respective amounts which reflect the assignment being made hereby (and after giving effect to any other assignments which have become effective on the Effective Date).

3. The Assignee (i) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (ii) confirms that it has received a copy of the Liquidity Agreement, together with copies of such other documents and information as it has deemed appropriate to make its own credit analysis independently and without reliance on the Liquidity Agent, the Assignor or any other Bank; (iii) agrees that it will, independently and without reliance upon the Liquidity Agent, the Assignor or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Liquidity Agreement; (iv) appoints and authorizes the Liquidity Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers under the Liquidity Agreement and the other Facilities Documents as are delegated to the Liquidity Agent, and the Collateral Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (v) agrees that it will be bound by the provisions of the Liquidity Agreement (including, without limitation, Sections 10.11, 10.13(d) and lO.l5(b) thereof) and will perform in accordance with its terms all the obligations which by the terms of the Liquidity Agreement are required to be performed by it as a Bank; (vi) has attached hereto (A) evidence that the short-term obligations of the Assignee are rated at least A-1 by S&P and, if rated by Fitch, F-1 by Fitch, or, if lower, the current rating on the Commercial Paper by such rating agency (but not lower than A-1 by S&P and, if rated by Fitch, F-1 by Fitch, respectively),* (B) an opinion of counsel in a form reasonably acceptable to S&P, Fitch and the CP Issuer to the effect that, upon the effectiveness of this Assignment and Acceptance, the Liquidity Agreement is the legal, valid and binding obligation of the Assignee, enforceable against it in accordance with its terms, (C) evidence that S&P and Fitch have confirmed that the assignment contemplated hereby would not result in the withdrawal or reduction of the current rating by S&P and Fitch, respectively, of the Commercial Paper; (vii) has supplied the information requested on the administrative questionnaire attached hereto as Exhibit A and (viii) if applicable, has provided the Internal Revenue Service forms required to be delivered under Section 3.10(b) of the Liquidity Agreement.

4. This Assignment and Acceptance, following its execution and, if necessary, the execution by the Liquidity Agent, will be delivered to the Liquidity Agent, together with a processing and recordation fee of S3,000, for effectiveness as of the Effective Date (which Effective Date shall, unless otherwise agreed to by the Liquidity Agent, be at least ten Business Days after the execution of this Assignment and Acceptance).

5. From and after the Effective Date, the Liquidity Agent shall make all payments in respect of the Assigned Interest (including payments or principal, interest, fees and other amounts) to the Assignee, whether such amounts have accrued prior to the Effective Date or accrue subsequent to the Effective Date. The Assignor and Assignee shall make all appropriate adjustments in payments for periods prior to the Effective Date by the Liquidity Agent or with respect to the making of this assignment directly between themselves.

6. From and after the Effective Date, (i) the Assignee shall be a party to the Liquidity Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Bank thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Liquidity Agreement.

- ----------
* Bracketed language to be included if assignment is pursuant to Section 3.10(i) or Section 3.13.

7. THIS ASSIGNMENT AND ACCEPTANCE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective duly authorized officers on Schedule I hereto.

Schedule I to Assignment and Acceptance
Respecting the Liquidity Agreement,
dated as of February 10, 1993 among
Distribution Funding Corporation,
the Banks named herein
and
Chemical Bank,
as Liquidity Agent

Legal Name of Assignor:

Legal Name of Assignee:

Effective Date of Assignment:

Bank Commitment Amount Assigned	Percentage Assigned (to at least eight decimals) shown as a percentage of the Liquidity Commitment
$ _____	_____%

ACCEPTED (if required under Liquidity Agreement):

_____
as Assignor

Chemical Bank,
as Liquidity Agent

By _____
Name:
Title:

By _____
Name:
Title:

_____
as Assignee

_____
Name:
Title:

Distribution Funding Corporation

By _____
Name:
Title:

EXHIBIT A
to
Assignment And
Acceptance

[Name of CP Issuer]
ADMINISTRATIVE DETAILS REPLY FORM
Liquidity Agreement dated as of February 10, 1993

1. LENDING OFFICES

Domestic Lending Office
Name of Lending Entity: _____
Address: _____
_____
Telex No. _____
Fax No. _____

Eurodollar Lending Office

Name of Lending Entity: _____
Address: _____
_____
Telex No. _____
Fax No. _____

2. CONTACTS - Credit Matter

Name of Person: _____
Address: _____
_____
Telephone: _____
Telex No. _____
Telecopier No. _____

3. CONTACTS - OPERATIONS/ ADMINISTRATION

Name of Person: _____
Address: _____
_____
Telephone: _____
Telex No. _____
Telecopier No. _____

4. PAYMENT INSTRUCTION

Pay To: _____
(Name of Bank): _____
Address: _____
_____
ABA Number: _____
Acct. Number: _____
Acct. Name: _____
Reference: _____

Please forward this completed form to:

Attention:

[Name of Liquidity Bank]
[Address]

EXHIBIT G

FORM OF NOTICE OF REVOLVING BORROWING

_____, 199_

TO: Each Bank that is a party to the Liquidity Agreement referred to below

Gentlemen:

The undersigned, Distribution Funding Corporation (the "CP Issuer") refers to the Liquidity Agreement, dated as of February 10, 1993 (the "Liquidity Agreement," the terms defined therein being used herein as therein defined), among the CP Issuer, Chemcial Bank as Liquidity Agent and the Banks listed on the signature pages thereof, and hereby gives you notice pursuant to Section 3.02 of the Liquidity Agreement and in that connection sets forth below the information relating to such Revolving Borrowing (the "Proposed Borrowing") as required by Section 3.02 of the Liquidity Agreement:

(i) The requested [Business] [Working] Day of the Proposed Borrowing is _____, 199_;

(ii) The aggregate amount of the Proposed Borrowing is $_____;

(iii) The Type[s] of Loan[s] requested for such Proposed Borrowing [is] [are] [Base Rate] [and] [C/D] [and] [Eurodollar].

The CP Issuer hereby represents and warrants that the conditions precedent to this Borrowing set forth in Section 6.02 of the Liquidity Agreement have been on the date hereof and on the date of such Borrowing will be, met.

Very truly yours,

DISTRIBUTION FUNDING CORPORATION

By _____
Authorized Officer

EXHIBIT H

FORM OF NOTICE OF REFUNDING BORROWING

_____, 199_

TO: Each Bank that is a party to the Liquidity Agreement referred to below

Gentlemen:

The undersigned, Chemical Bank, as Depositary and Attorney-in-fact for Distribution Funding Corporation (the "CP Issuers") refers to the Liquidity Agreement, dated as of February 10, 1993 (the "Liquidity Agreement," the terms defined therein being used herein as therein defined), among the CP Issuer, Chemical Bank as Liquidity Agent and the Banks listed on the signature pages thereof, and hereby gives you notice pursuant to Section 3.03 of the Liquidity Agreement and in that connection sets forth below the information relating to such Refunding Borrowing (the "Proposed Borrowing") as required by Section 3.03 of the Liquidity Agreement:

(i) The requested Business Day of the Proposed Borrowing is _____, 199_;

(ii) The aggregate amount of the Proposed Borrowing is $_____.

The CP Issuer hereby represents and warrants that the conditions precedent to this Borrowing set forth in Section 6.03 of the Liquidity Agreement have been on the date hereof and on the date of such Borrowing will be, met.

Very truly yours,

DISTRIBUTION FUNDING CORPORATION

By _____
Authorized Officer

[or

Very truly yours,

DISTRIBUTION FUNDING CORPORATION

By CHEMICAL BANK, as Depositary
and Attorney-in-Fact

By _____
Authorized Officer]

Schedule 1

Percentage of Liquidity Commitment

Chemical Bank	77.1430%	$115,714,500
NationsBank of North Carolina, N.A.	11.4285%	$ 17,142,750
The Bank of Nova Scotia	11.4285%	$ 17,142,750

Schedule 2

Notices

NATIONSBANK OF NORTH CAROLINA, N.A.

NationsBank of North Carolina, N.A.
One NationsBank Plaza
Charlotte, North Carolina 28255
Attention: Corporate Lending Support, Elizabeth A. Garver
Telephone: 704-386-8382
Telecopy: 704-386-8694

with a copy to

NationsBank of North Carolina, N.A.
One NationsBank Plaza
Fifth Floor
Nashville, TN 37239-1697
Attention: Samuel J. Belk, Vice President
Telephone: 615-749-3862
Telecopy: 615-749-4112

THE BANK OF NOVA SCOTIA

The Bank of Nova Scotia
Atlanta Agency
#55 Park Place
Suite 650
Atlanta, GA 30303
Attention: Patrick M. Brown, Representative
Telephone: 404-581-0807
Telecopy: 404-525-3833

CHEMICAL BANK

Notices pertaining to funding or payment obligations of Chemical:

Chemical Bank
270 Park Avenue, 10th Floor
New York, New York 10017
Attention: Andrew Stasiw

Telephone: 212-270-3867
Telecopy: 212-682-8937

All other notices to:

Chemical Bank
270 Park Avenue, 10th Floor
New York, New York 10017
Attention: John D. Mindnich, Jr., Vice President
Telephone: 212-270-3637
Telecopy: 212-270-3279

Schedule 3

Initial Participants

The Industrial Bank of Japan, Limited,
Atlanta Agency
NBD Bank, N.A.
First American National Bank
First Bank National Association DG Bank
The First National Bank of Louisville
Third National Bank
Credit Lyonnais Atlanta/ Credit Lyonnais Cayman Island Branch
Bank of Scotland
ABN AMRO Bank N.V.
Generale Banque, New York Branch

EXHIBIT 10.34

October 10, 1996

Michael Grainger
Ingram Micro Inc.
1600 E. St. Andrew Place
Santa Ana, CA 92799

Dear Mike:

This letter will confirm Ingram Micro's offer of employment to you. The Board of Directors will be requested to elect you to the position of Executive Vice President and Chief Financial Officer--Worldwide, at its next meeting. You will report directly to me, the Chairman and Chief Executive Officer.

Your base salary will be $25,000 per month ($300,000 annualized) effective October 1, 1996, to be paid on the Company's monthly Executive payroll cycle. You will have your next performance and merit review in December, 1997 and annually thereafter. You will also be eligible to participate in the standard health and employee benefit programs of Ingram Micro Inc., (information explaining the health and benefits programs and participatory requirements is enclosed with this letter.)

You will continue to be considered on temporary assignment through January 31, 1997 and Ingram Micro will pay all temporary living expenses through that date.

Effective October 1, 1996, you will also be eligible to participate in the Executive Incentive Bonus Plan, and your Target Bonus percentage will be 60% of your base earned salary. For 1996, your participation will be guaranteed at 100% of the 60% Target Bonus based on salary earned from October 1, 1996, through December 31, 1996. The bonus payout will be paid in March 1997. For 1997, participation will be based on the 1997 Executive Incentive Bonus Plan. The provisions of the current Plan are as follows:

Sixty percent (60%) of your eligible incentive bonus award will be automatically calculated based on the Company's pre-tax, pre-bonus profit performance against financial targets. The remaining forty percent (40%) will be based on your individual performance against personal goals and objectives, subject to pre-tax, pre-bonus achievement. You are eligible to earn up to 150% of the Target Bonus percentage if the Company performs exceptionally well. The earned bonus payout will be paid in March of each year following completion of the Plan year and you must be employed at the time of payout to be eligible.

The Stock Option Committee of the Ingram Micro Board of Directors will be requested to grant you stock options on 200,000 shares of Ingram Micro Common Stock. (These are in addition to the shares you previously purchased under the terms of the Key Employee Stock Purchase Plan.) The Committee will be requested to make the options effective the date of the Initial Public Offering (I.P.O.) of the Common Stock at the Company and the exercise price for these options will be the I.P.O. price. The options will vest 25% effective April 1, 1998 and an additional 25% on April 1, 1999, April 1, 2000 and April 1, 2001, provided that you continue to be employed by Ingram Micro on each of those dates.

In addition to the foregoing, the Stock Option Committee will be requested to grant you options on another 100,000 shares of Ingram Micro Common Stock effective the date of the I.P.O. at the I.P.O. price. These options will vest as certain specified Company financial objectives are achieved, but in no case earlier than April 1, 1998 nor later than the ninth anniversary of the I.P.O. date.

For 1996, the Company will provide Executive Tax Assistance through Price Waterhouse, Nashville, Tennessee.

Ingram Micro agrees to assist you with relocation of you and your family to Orange County, in accordance with our standard officer relocation assistance package in effect at the date with your relocation. In no event, will the relocation allowance be less than that provided in the current policy, (see attached current Relocation Assistance Agreement.) Ingram Micro will give you a two (2) year period to make the decision to relocate.

Notwithstanding any provision of your "Rollover Option" Agreement to the contrary, if at any time Ingram Micro terminates your employment without Cause (as Cause is defined in the Ingram Micro Inc. Rollover Stock Option Plan), Ingram Micro shall cause all unvested "Rollover Options" to become 100% vested. Such "Rollover Options" must be exercised, if at all, within two years of the date of such termination. Notwithstanding any provision of the Purchase Agreement relating to shares purchased under the Key Employee Stock Purchase Plan, upon such termination all restrictions thereunder applicable to such shares shall lapse.

Ingram Micro employs on an at will basis. Continued employment is based on job performance; that is, successfully meeting expectations and requirements established for the job and for continued success of Ingram Micro's business activity.

If the above confirms your understanding of the terms and conditions of your employment, please sign both copies of this letter and return the original to David Finley, Senior Vice President Human Resources, Worldwide, keeping the copy for your files.

We are really looking forward to your joining our team and know that you will make significant contributions to building an even greater Company.

Very best regards,

/s/

Jerre L. Stead
Chairman and Chief Executive Officer

I have received a copy of this letter and accept the offer as outlined above.

/s/ 10/16/96

Michael Grainger Date

Attachment

cc: Jerre Stead
David R. Dukes
Jeff Rodek
David Finley
Michael Head
Tom Berry
Main Files