Table of Contents

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

FORM 10-Q

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

For the quarterly period ended August 31, 2012

OR

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

For the transition period from to

Commission file number: 001-16111

GLOBAL PAYMENTS INC.
(Exact name of registrant as specified in charter)

Georgia	**58-2567903**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
10 Glenlake Parkway, North Tower, Atlanta, Georgia	30328
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (770) 829-8000

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

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

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

Large accelerated filer ☒ Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

The number of shares of the issuer's common stock, no par value outstanding as of September 20, 2012 was 78,879,283.

GLOBAL PAYMENTS INC.
FORM 10-Q
For the quarterly period ended August 31, 2012

TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

GLOBAL PAYMENTS INC.
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)

	Three Months Ended	
	August 31, 2012	August 31, 2011
Revenues	$ 590,287	$ 542,771
Operating expenses:		
Cost of service	204,391	191,536
Sales, general and administrative	281,419	242,625
Processing system intrusion	23,989	—
	509,799	434,161
Operating income	80,488	108,610
Other income (expense):		
Interest and other income	1,983	2,501
Interest and other expense	(3,545)	(4,087)
	(1,562)	(1,586)
Income from continuing operations before income taxes	78,926	107,024
Provision for income taxes	(24,764)	(34,943)
Net income	54,162	72,081
Less: Net income attributable to noncontrolling interests, net of income tax provision of $1,620 and $1,858, respectively	(7,487)	(8,107)
Net income attributable to Global Payments	$ 46,675	$ 63,974
Earnings per share attributable to Global Payments:		
Basic	$ 0.59	$ 0.80
Diluted	$ 0.59	$ 0.79
Dividends per share	$ 0.02	$ 0.02

See Notes to Unaudited Consolidated Financial Statements.

GLOBAL PAYMENTS INC.
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands, except per share data)

	Three Months Ended	
	August 31, 2012	August 31, 2011
Net income	$ 54,162	$ 72,081
Other comprehensive income (loss):		
Foreign currency translation adjustments	41,041	(10,310)
Income tax (expense) benefit related to foreign currency translation adjustments	(6,579)	1,182
Other comprehensive income (loss), net of tax	34,462	(9,128)
Comprehensive income	88,624	62,953
Less: comprehensive income attributable to noncontrolling interests	(10,451)	(7,949)
Comprehensive income attributable to Global Payments	$ 78,173	$ 55,004

GLOBAL PAYMENTS INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	August 31, 2012 (Unaudited)	May 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	$ 841,331	$ 781,275
Accounts receivable, net of allowances for doubtful accounts of $1,032 and $532, respectively	179,875	182,962
Claims receivable, net of allowances for losses of $3,784 and $3,435, respectively	1,082	1,029
Settlement processing assets	236,384	217,994
Inventory	12,839	9,864
Deferred income taxes	25,691	21,969
Prepaid expenses and other current assets	39,679	33,646
Total current assets	1,336,881	1,248,739
Goodwill	740,891	724,687
Other intangible assets, net of accumulated amortization of $251,829 and $235,296, respectively	284,625	290,188
Property and equipment, net of accumulated depreciation of $177,228 and $161,911, respectively	324,005	305,848
Deferred income taxes	96,558	97,235
Other	22,532	21,446
Total assets	$ 2,805,492	$ 2,688,143
LIABILITIES AND EQUITY		
Current liabilities:		
Lines of credit	$ 209,254	$ 215,391
Current portion of long-term debt	47,541	76,420
Commitment to purchase redeemable noncontrolling interest (See Note 12)	242,000	—
Accounts payable and accrued liabilities	300,270	316,313
Settlement processing obligations	228,771	216,878
Income taxes payable	18,110	12,283
Total current liabilities	1,045,946	837,285
Long-term debt	285,464	236,565
Deferred income taxes	124,096	106,644
Other long-term liabilities	66,966	62,306
Total liabilities	1,522,472	1,242,800
Commitments and contingencies (See Note 12)		
Redeemable noncontrolling interest	—	144,422
Equity:		
Preferred stock, no par value; 5,000,000 shares authorized and none issued	—	—
Common stock, no par value; 200,000,000 shares authorized; 78,819,988 and 78,551,297 issued and outstanding at August 31, 2012 and May 31, 2012, respectively	—	—
Paid-in capital	258,084	358,728
Retained earnings	889,370	843,456
Accumulated other comprehensive income (loss)	1,498	(30,000)
Total Global Payments shareholders' equity	1,148,952	1,172,184
Noncontrolling interest	134,068	128,737
Total equity	1,283,020	1,300,921
Total liabilities and equity	$ 2,805,492	$ 2,688,143

See Notes to Unaudited Consolidated Financial Statements

GLOBAL PAYMENTS INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Three Months Ended	
	August 31, 2012	August 31, 2011
Cash flows from operating activities:		
Net income	$ 54,162	$ 72,081
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization of property and equipment	12,670	11,573
Amortization of acquired intangibles	11,225	12,643
Share-based compensation expense	4,222	3,978
Provision for operating losses and bad debts	6,012	6,812
Deferred income taxes	10,273	7,831
Other, net	(941)	441
Changes in operating assets and liabilities, net of the effects of acquisitions:		
Accounts receivable	3,087	(10,812)
Claims receivable	(3,272)	(4,591)
Settlement processing assets and obligations, net	(7,839)	(687,180)
Inventory	(2,992)	(2,861)
Prepaid expenses and other assets	(8,513)	2,153
Accounts payable and other accrued liabilities	(15,294)	(27,589)
Income taxes payable	5,827	9,643
Net cash provided by (used in) operating activities	68,627	(605,878)
Cash flows from investing activities:		
Business, intangible and other asset acquisitions, net of cash acquired	(190)	—
Capital expenditures	(29,237)	(12,151)
Net decrease in financing receivables	740	583
Net cash used in investing activities	(28,687)	(11,568)
Cash flows from financing activities:		
Net (payments) borrowings on short-term lines of credit	(6,137)	40,327
Proceeds from issuance of long-term debt	50,000	71,029
Principal payments under long-term debt	(30,080)	(44,295)
Proceeds from stock issued under employee stock plans	4,375	(2,836)
Common stock repurchased - share-based compensation plans	(6,348)	—
Repurchase of common stock	(3,249)	(73,222)
Tax benefit from employee share-based compensation	1,733	1,420
Distributions to noncontrolling interest	(2,733)	(2,471)
Dividends paid	(1,578)	(1,613)
Net cash provided by (used in) financing activities	5,983	(11,661)
Effect of exchange rate changes on cash	14,133	(1,226)
Increase (decrease) in cash and cash equivalents	60,056	(630,333)
Cash and cash equivalents, beginning of the period	781,275	1,354,285
Cash and cash equivalents, end of the period	$ 841,331	$ 723,952

See Notes to Unaudited Consolidated Financial Statements

GLOBAL PAYMENTS INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in thousands, except per share data)

	Number of Shares	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)		Total Global Payments Shareholders' Equity	Noncontrolling Interest	Total Equity
				Currency Translation Adjustments	Minimum Pension Liability			
Balance at May 31, 2012	78,551	$ 358,728	$ 843,456	$ (24,951)	$ (5,049)	$ 1,172,184	$ 128,737	$ 1,300,921
Net income			46,675			46,675	5,673	52,348
Other comprehensive income				31,498		31,498	2,391	33,889
Stock issued under employee stock plans	615	4,375				4,375		4,375
Common stock repurchased - share based compensation plans	(236)	(10,135)				(10,135)		(10,135)
Tax benefit from employee share-based compensation, net		1,395				1,395		1,395
Share-based compensation expense		4,222				4,222		4,222
Distributions to noncontrolling interest						—	(2,733)	(2,733)
Redeemable noncontrolling interest valuation adjustment			817			817		817
Repurchase of common stock	(110)	(4,493)	—			(4,493)		(4,493)
Commitment to purchase redeemable noncontrolling interest		(96,008)				(96,008)		(96,008)
Dividends paid ($0.02 per share)			(1,578)			(1,578)		(1,578)
Balance at August 31, 2012	78,820	$ 258,084	$ 889,370	$ 6,547	$ (5,049)	$ 1,148,952	$ 134,068	$ 1,283,020

See Notes to Unaudited Consolidated Financial Statements.

GLOBAL PAYMENTS INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in thousands, except per share data)

	Number of Shares	Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)		Total Global Payments Shareholders' Equity	Noncontrolling Interest	Total Equity
					Currency Translation Adjustments	Minimum Pension Liability			
Balance at May 31, 2011, as previously reported	80,335	$ 502,993	(112,980)	$ 715,202	$ 82,159	$ (2,839)	$ 1,184,535	$ 153,282	$ 1,337,817
Retrospective adjustment for the correction of an error (see Note 1)		(112,980)	112,980	—	—	—	—	—	—
Retrospective adjustment for the change in accounting method for the retirement of repurchased shares (see Note 1)		29,578	—	(29,578)	—	—	—	—	—
Balance at May 31, 2011, as adjusted		419,591	—	685,624	82,159	(2,839)	1,184,535	153,282	1,337,817
Net income				63,974			63,974	5,502	69,476
Other comprehensive loss					(8,970)		(8,970)	(290)	(9,260)
Stock issued under employee stock plans, net	269	(3,245)					(3,245)		(3,245)
Tax benefit from employee share-based compensation, net		1,420					1,420		1,420
Share-based compensation expense		3,978					3,978		3,978
Distributions to noncontrolling interest								(2,471)	(2,471)
Redeemable noncontrolling interests valuation adjustment				(1,842)			(1,842)		(1,842)
Repurchase of common stock (see Note 1)	(1,854)	(71,251)		(9,275)			(80,526)		(80,526)
Dividends paid ($0.02 per share)				(1,613)			(1,613)		(1,613)
Balance at August 31, 2011	78,750	$ 350,493	—	$ 736,868	$ 73,189	$ (2,839)	$ 1,157,711	$ 156,023	$ 1,313,734

See Notes to Unaudited Consolidated Financial Statements.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business, consolidation and presentation— Global Payments Inc. is a high-volume processor of electronic transactions for merchants, multinational corporations, financial institutions, consumers, government agencies and other business and non-profit business enterprises to facilitate payments to purchase goods and services or further other economic goals. Our role is to serve as an intermediary in the exchange of information and funds that must occur between parties so that a transaction can be completed. We were incorporated in Georgia as Global Payments Inc. in September 2000 and we spun-off from our former parent company on January 31, 2001. Including our time as part of our former parent company, we have been in business since 1967.

These unaudited consolidated financial statements include our accounts and those of our majority-owned subsidiaries and all intercompany balances and transactions have been eliminated. These unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information and with Rule 10-01 of Regulation S-X.

In the opinion of our management, all known adjustments necessary for a fair presentation of the results of the interim periods have been made. These adjustments consist of normal recurring accruals and estimates that impact the carrying value of assets and liabilities. We suggest that these financial statements be read in conjunction with the consolidated financial statements and notes thereto included in our Form 10-K for the fiscal year ended May 31, 2012.

Use of estimates— The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. Our most significant estimate that is subject to change is discussed in Note 2 - Processing System Intrusion

Correction of an error and change in accounting principle— During the three months ended August 31, 2011 we determined that our presentation of repurchased shares as a separate component of shareholders' equity ("Treasury stock") in previously issued financial statements was at variance with Georgia incorporation law. As such, our shares repurchased during fiscal year 2010 and the first quarter of fiscal 2011 should have been accounted for as constructively retired, and the cost of repurchased shares should have been charged to paid-in capital in accordance with our accounting policy at that time. As a result of this error, our previously reported balances of treasury stock and paid-in capital as of May 31, 2011 were misstated. To correct this error we have restated our May 31, 2011 treasury stock and paid-in capital balances. This adjustment is reflected in our consolidated statements of changes in equity by eliminating treasury stock and reclassifying this balance to paid-in capital. The May 31, 2011 treasury stock balance of $113.0 million has been reclassified to reduce paid-in capital by $113.0 million. The effect of these misstatements was limited to treasury stock and paid-in capital.

Effective June 1, 2011, we elected to change our method of accounting for the retirement of repurchased shares. We previously accounted for the retirement of repurchased shares by charging the entire cost to paid-in capital. Our new method of accounting allocates the cost of repurchased and retired shares between paid-in capital and retained earnings. We believe that this method is preferable because it more accurately reflects our paid-in capital balances by allocating the cost of the shares repurchased and retired to paid-in capital in proportion to paid-in capital associated with the original issuance of said shares. We reflected the application of this new accounting method retrospectively by adjusting prior periods. This change is limited to an increase to the beginning balance of paid-in capital and a decrease to beginning balance of retained earnings of $29.6 million at May 31, 2011 and is reflected in our consolidated balance sheets and statements of changes in equity.

Revenue recognition— Our two merchant services segments primarily include processing solutions for credit cards, debit cards, and check-related services. Revenue is recognized as such services are performed. Revenue for processing services provided directly to merchants is recorded net of interchange fees charged by card issuing banks. The majority of our business model provides payment products and services directly to merchants as our end customers. We also provide similar products and services to financial institutions and a limited number of Independent Sales Organizations (ISOs) that, in turn, resell our products and services, in which case, the financial institutions and select ISOs are our end customers. The majority of merchant services revenue is generated on services priced as a percentage of transaction value or a specified fee per transaction, depending on card type. We also charge other fees based

on specific services that are unrelated to the number of transactions or the transaction value. Revenue from credit cards and signature debit cards, which are only a U.S. based card type, is generally based on a percentage of transaction value along with other related fees, while revenue from PIN debit cards is typically based on a fee per transaction.

Cash and cash equivalents— Cash and cash equivalents include cash on hand and all liquid investments with an initial maturity of three months or less when purchased. Cash and cash equivalents include reserve funds collected from our merchants that serve as collateral ("Merchant Reserves") to minimize contingent liabilities associated with any losses that may occur under the merchant agreement. We record a corresponding liability in settlement processing assets and settlement processing obligations in our consolidated balance sheet. While this cash is not restricted in its use, we believe that designating this cash to collateralize Merchant Reserves strengthens our fiduciary standing with our member sponsors and is in accordance with guidelines set by the card networks. As of August 31, 2012 and May 31, 2012, our cash and cash equivalents included $323.4 million and $328.2 million, respectively, related to Merchant Reserves.

Our cash and cash equivalents include settlement related cash balances. Settlement related cash balances represent surplus funds that we hold on behalf of our member sponsors when the incoming amount from the card networks precedes the member sponsors' funding obligation to the merchant. Settlement related cash balances are not restricted; however, these funds are generally paid out in satisfaction of settlement processing obligations the following day. Please see *Settlement processing assets and obligations* below for further information.

Inventory— Inventory, which includes electronic point of sale terminals, automated teller machines, and related peripheral equipment, is stated at the lower of cost or fair value. Cost is determined by using the average cost method.

Settlement processing assets and obligations— We are designated as a Merchant Service Provider by MasterCard and an Independent Sales Organization by Visa. These designations are dependent upon member clearing banks ("Member") sponsoring us and our adherence to the standards of the networks. We have primary financial institution sponsors in the various markets where we facilitate payment transactions with whom we have sponsorship or depository and clearing agreements. These agreements allow us to route transactions under the member banks' control and identification numbers to clear credit card transactions through Visa and MasterCard. Visa and MasterCard set the standards with which we must comply. Certain of the member financial institutions of Visa and MasterCard are our competitors. In certain markets, we are members in various payment networks, allowing us to process and fund transactions without third-party sponsorship.

We also provide credit card transaction processing for Discover Financial Services or Discover Card ("Discover") and are designated as an acquirer by Discover. Our agreement with Discover allows us to acquire, process and fund transactions directly through Discover's network without the need of a financial institution sponsor. Otherwise, we process Discover transactions similarly to how we process MasterCard and Visa transactions. Discover publishes acquirer operating regulations, with which we must comply. We use our Members to assist in funding merchants for Discover transactions.

Funds settlement refers to the process of transferring funds for sales and credits between card issuers and merchants. Depending on the type of transaction, either the credit card interchange system or the debit network is used to transfer the information and funds between the Member and card issuer to complete the link between merchants and card issuers.

For transactions processed on our systems, we use our internal network telecommunication infrastructure to provide funding instructions to the Members who in turn fund the merchants. In certain of our markets, merchant funding primarily occurs after the Member receives the funds from the card issuer through the card networks creating a net settlement obligation on our balance sheet. In our other markets, the Member funds the merchants before the Member receives the net settlement funds from the card networks, creating a net settlement asset on our balance sheet. In certain markets, the Member provides the payment processing operations and related support services on our behalf under a transition services agreement. In such instances, we do not reflect the related settlement processing assets and obligations in our consolidated balance sheet. The Member will continue to provide these operations and services until the integration to our platform is completed. After our integration, the Member will continue to provide funds settlement services similar to the functions performed by our Members in other markets at which point the related settlement assets and obligations will be reflected in our consolidated balance sheet.

Timing differences, interchange expense, Merchant Reserves and exception items cause differences between the amount the Member receives from the card networks and the amount funded to the merchants. The standards of the card networks restrict us from performing funds settlement or accessing merchant settlement funds, and, instead, require that these funds be in the possession

of the Member until the merchant is funded. However, in practice and in accordance with the terms of our sponsorship agreements with our Members, we generally follow a net settlement process whereby, if the incoming amount from the card networks precedes the Member's funding obligation to the merchant, we temporarily hold the surplus on behalf of the Member in our account at the Member bank and record a corresponding liability. Conversely, if the Member's funding obligation to the merchant precedes the incoming amount from the card networks, the amount of the Member's net receivable position is either subsequently advanced to the Member by us or the Member satisfies this obligation with its own funds. If the Member uses its own funds, the Member assesses a funding cost, which is included in interest and other expense on the accompanying consolidated statements of income. Each participant in the transaction process receives compensation for its services.

Settlement processing assets and obligations represent intermediary balances arising in our settlement process for direct merchants. Settlement processing assets consist primarily of (i) our receivable from merchants for the portion of the discount fee related to reimbursement of the interchange expense ("Interchange reimbursement"), (ii) our receivable from the Members for transactions we have funded merchants on behalf of the Members in advance of receipt of card association funding ("Receivable from Members"), (iii) our receivable from the card networks for transactions processed on behalf of merchants where we are a Member of that particular network ("Receivable from networks"), and (iv) exception items, such as customer chargeback amounts receivable from merchants ("Exception items"), all of which are reported net of (v) Merchant Reserves held to minimize contingent liabilities associated with charges properly reversed by a cardholder ("Merchant Reserves"). Settlement processing obligations consist primarily of (i) Interchange reimbursement, (ii) Receivable from Members (iii) our liability to the Members for transactions for which we have received funding from the Members but have not funded merchants on behalf of the Members ("Liability to Members"), (iv) our liability to merchants for transactions that have been processed but not yet funded where we are a Member of that particular network ("Liability to merchants"), (v) Exception items, (vi) Merchant Reserves, (vii) the reserve for operating losses (see Reserve for operating losses below), and (viii) the reserve for sales allowances. In cases in which the Member uses its own funds to satisfy a funding obligation to merchants that precedes the incoming amount from the card network, we reflect the amount of this funding as a component of "Liability to Members."

A summary of these amounts as of August 31, 2012 and May 31, 2012 is as follows:

	August 31, 2012	May 31, 2012
Settlement processing assets:	(in thousands)	
Interchange reimbursement	$ 29,177	$ 28,699
Receivable from Members	84,500	77,073
Receivable from networks	129,550	118,942
Exception items	1,147	1,345
Merchant Reserves	(7,990)	(8,065)
Total	$ 236,384	$ 217,994
	.	
Settlement processing obligations:		
Interchange reimbursement	$ 228,266	$ 223,008
Receivable from Members	135	589
Liability to merchants	(156,887)	(128,663)
Exception items	17,725	11,554
Merchant Reserves	(315,460)	(320,168)
Reserve for operating losses	(2,123)	(2,325)
Reserves for sales allowances	(427)	(873)
Total	$ (228,771)	$ (216,878)

Reserve for operating losses— As a part of our merchant credit and debit card processing and check guarantee services, we experience merchant losses and check guarantee losses, which are collectively referred to as "operating losses."

Our credit card processing merchant customers are liable for any charges or losses that occur under the merchant agreement. In the event, however, that we are not able to collect such amount from the merchants, due to merchant fraud, insolvency, bankruptcy or any other merchant-related reason, we may be liable for any such losses based on our merchant agreement. We require cash deposits (merchant reserves), guarantees, letters of credit, and other types of collateral by certain merchants to minimize any such contingent liability. We also utilize a number of systems and procedures to manage merchant risk. We have, however, historically experienced losses due to merchant defaults.

We account for our potential liability for the full amount of the operating losses discussed above as guarantees. We estimate the fair value of these guarantees by adding a fair value margin to our estimate of losses. This estimate of losses is comprised of estimated incurred losses and a projection of future losses. Estimated incurred loss accruals are recorded when it is probable that we have incurred a loss and the loss is reasonably estimable. These losses typically result from chargebacks related to merchant bankruptcies, closures, or fraud. Estimated incurred losses are calculated at the merchant level based on chargebacks received to date, processed volume, and historical chargeback ratios. The estimate is reduced for any collateral that we hold. Accruals for estimated incurred losses are evaluated periodically and adjusted as appropriate based on actual loss experience. Our projection of future losses is based on an assumed percentage of our direct merchant credit card and signature debit card sales volumes processed, or processed volume. Historically, this estimation process has been materially accurate.

As of August 31, 2012 and May 31, 2012, $2.1 million and $2.3 million, respectively, have been recorded to reflect the fair value of guarantees associated with merchant card processing. These amounts are included in settlement processing obligations in the accompanying consolidated balance sheets. The expense associated with the fair value of the guarantees of customer chargebacks is included in cost of service in the accompanying consolidated statements of income. For the three months ended August 31, 2012 and 2011, we recorded such expenses in the amounts of $2.8 million and $2.4 million, respectively.

In our check guarantee service offering, we charge our merchants a percentage of the gross amount of the check and guarantee payment of the check to the merchant in the event the check is not honored by the checkwriter's bank in accordance with the merchant's agreement with us. The fair value of the check guarantee approximates cost and is equal to the fee charged for the guarantee service, and we defer this fee revenue until the guarantee is satisfied. We have the right to collect the full amount of the check from the checkwriter but have not historically recovered 100% of the guaranteed checks. Our check guarantee loss reserve is based on historical and projected loss experiences. As of August 31, 2012 and May 31, 2012, we have a check guarantee loss reserve of $3.8 million and $3.4 million, respectively, which is included in net claims receivable in the accompanying consolidated balance sheets. For the three months ended August 31, 2012 and 2011, we recorded expenses of $3.2 million and $4.4 million, respectively. The estimated check returns and recovery amounts are subject to the risk that actual amounts returned and recovered in the future may differ significantly from estimates used in calculating the receivable valuation allowance.

As the potential for merchants' failure to settle individual reversed charges from consumers in our merchant credit card processing offering and the timing of individual checks clearing the checkwriters' banks in our check guarantee offering are not predictable, it is not practicable to calculate the maximum amounts for which we could be liable under the guarantees issued under the merchant card processing and check guarantee service offerings. It is not practicable to estimate the extent to which merchant collateral or subsequent collections of dishonored checks, respectively, would offset these exposures due to these same uncertainties.

Property and equipment— Property and equipment are stated at amortized cost. Depreciation and amortization are calculated using the straight-line method, except for certain technology assets discussed below. Leasehold improvements are amortized over the lesser of the remaining term of the lease or the useful life of the asset. Maintenance and repairs are charged to operations as incurred.

We develop software that is used in providing processing services to customers. Capitalization of internally developed software, primarily associated with operating platforms, occurs when we have completed the preliminary project stage, management authorizes the project, management commits to funding the project, it is probable the project will be completed and the project will be used to perform the function intended. The preliminary project stage consists of the conceptual formulation of alternatives, the evaluation of alternatives, the determination of existence of needed technology and the final selection of alternatives. Costs incurred prior to the completion of the preliminary project stage are expensed as incurred.

As of August 31, 2012, we have placed into service $86.5 million of hardware and software associated with our technology processing platform, referred to as G2. The vision for this platform is to serve as a front-end operating environment for merchant processing and is intended to replace a number of legacy platforms that have higher cost structures. Depreciation and amortization

associated with these costs is calculated based on transactions expected to be processed over the life of the platform. We believe that this method is more representative of the platform's use than the straight-line method. We are currently processing transactions on our G2 platform in seven markets in our Asia-Pacific region and for a limited number of U.S. merchants. As these markets represent a small percentage of our overall transactions, depreciation and amortization related to our G2 platform for the three months ended August 31, 2012 was not significant. Depreciation and amortization expense will increase as we complete migrations of other merchants to the G2 platform.

Goodwill and other intangible assets— We completed our most recent annual goodwill impairment test as of January 1, 2012 and determined that the fair value of each of our reporting units were substantially in excess of the carrying value. No events or changes in circumstances have occurred since the date of our most recent annual impairment test that would more likely than not reduce the fair value of a reporting unit below its carrying amount.

Goodwill is tested for impairment at the reporting unit level, and the impairment test consists of two steps. In the first step the reporting unit's carrying amount, including goodwill, is compared to its fair value. If the carrying amount of the reporting unit is greater than its fair value, goodwill is considered potentially impaired and step two must be performed. Step two measures the impairment loss by comparing the implied fair value of reporting unit goodwill with the carrying amount of that goodwill. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit to all the assets and liabilities of that unit (including unrecognized intangibles) as if the reporting unit had been acquired in a business combination. The excess of fair value over the amounts allocated to the assets and liabilities of the reporting unit is the implied fair value of goodwill. The excess of the carrying amount over the implied fair value is the impairment loss.

We have six reporting units: North America Merchant Services, UK Merchant Services, Asia Pacific Merchant Services, Central and Eastern Europe Merchant Services, Russia Merchant Services and Spain Merchant Services. We estimate the fair value of our reporting units using a combination of the income approach and the market approach. The income approach utilizes a discounted cash flow model incorporating management's expectations for future revenue, operating expenses, EBITDA, capital expenditures and an anticipated tax rate. We discount the related cash flow forecasts using our estimated weighted-average cost of capital for each reporting unit at the date of valuation. The market approach utilizes comparative market multiples in the valuation estimate. Multiples are derived by relating the value of guideline companies, based on either the market price of publicly traded shares or the prices of companies being acquired in the marketplace, to various measures of their earnings and cash flow. Such multiples are then applied to the historical and projected earnings and cash flow of the reporting unit in developing the valuation estimate.

Preparation of forecasts and the selection of the discount rates involve significant judgments about expected future business performance and general market conditions. Significant changes in our forecasts, the discount rates selected or the weighting of the income and market approach could affect the estimated fair value of one or more of our reporting units and could result in a goodwill impairment charge in a future period.

Other intangible assets primarily represent customer-related intangible assets (such as customer lists and merchant contracts), contract-based intangible assets (such as non-compete agreements, referral agreements and processing rights), and trademarks associated with acquisitions. Customer-related intangible assets, contract-based intangible assets and certain trademarks are amortized over their estimated useful lives of from 5 to 30 years. The useful lives for customer-related intangible assets are determined based primarily on forecasted cash flows, which include estimates for the revenues, expenses, and customer attrition associated with the assets. The useful lives of contract-based intangible assets are equal to the terms of the agreements. The useful lives of amortizable trademarks are based on our plans to phase out the trademarks in the applicable markets.

Amortization for most of our customer-related intangible assets is calculated using an accelerated method. In determining amortization expense under our accelerated method for any given period, we calculate the expected cash flows for that period that were used in determining the acquired value of the asset and divide that amount by the expected total cash flows over the estimated life of the asset. We multiply that percentage by the initial carrying value of the asset to arrive at the amortization expense for that period. If the cash flow patterns that we experience are less favorable than our initial estimates, we will adjust the amortization schedule accordingly. These cash flow patterns are derived using certain assumptions and cost allocations due to a significant amount of asset interdependencies that exist in our business.

Impairment of long-lived assets— We regularly evaluate whether events and circumstances have occurred that indicate the carrying amount of property and equipment and finite-lived intangible assets may not be recoverable. When factors indicate that these long-lived assets should be evaluated for possible impairment, we assess the potential impairment by determining whether the

carrying value of such long-lived assets will be recovered through the future undiscounted cash flows expected from use of the asset and its eventual disposition. If the carrying amount of the asset is determined not to be recoverable, a write-down to fair value is recorded. Fair values are determined based on quoted market values or discounted cash flow analyses as applicable. We regularly evaluate whether events and circumstances have occurred that indicate the useful lives of property and equipment and finite-life intangible assets may warrant revision. In our opinion, the carrying values of our long-lived assets, including property and equipment and finite-lived intangible assets, were not impaired at August 31, 2012 and May 31, 2012.

Income taxes— Deferred income taxes are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax laws and rates. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Our effective tax rates were 31.4% and 32.7% for the three months ended August 31, 2012 and 2011, respectively. The effective tax rates for the three months ended August 31, 2012 and 2011 reflect adjustments to our UK deferred tax asset due to legislated enacted corporate tax rate reductions in the United Kingdom of 2% per year. Please see Note 6 – Income Tax for further information.

Fair value of financial instruments— We consider that the carrying amounts of our financial instruments, including cash and cash equivalents, receivables, settlement processing assets and obligations, lines of credit, commitment to purchase redeemable noncontrolling interest, accounts payable and accrued liabilities, approximate their fair value given the short-term nature of these items. Our term loans include variable interest rates based on the prime rate or London Interbank Offered Rate plus a margin based on our leverage position. At August 31, 2012, the carrying amount of our term loans approximates fair value. Our subsidiary in the Russian Federation has notes payable with interest rates of 8.5% and maturity dates ranging from September 2012 through November 2016. At August 31, 2012, we believe the carrying amount of these notes approximates fair value. Please see Note 5 – Long-Term Debt and Credit Facilities for further information.

Financing receivables— Our subsidiary in the Russian Federation purchases Automated Teller Machines (ATMs) and leases those ATMs to our sponsor bank. We have determined these arrangements to be direct financing leases. Accordingly, we have $12.1 million and $13.5 million of financing receivables included in our August 31, 2012 and May 31, 2012 consolidated balance sheets, respectively.

There is an inherent risk that our customer may not pay the contractual balances due. We periodically review the financing receivables for credit losses and past due balances to determine whether an allowance should be recorded. Historically we have not had any credit losses or past due balances associated with these receivables, and therefore we do not have an allowance recorded. We have had no financing receivables modified as troubled debt restructurings nor have we had any purchases or sales of financing receivables.

Foreign currencies— We have significant operations in a number of foreign subsidiaries whose functional currency is their local currency. Gains and losses on transactions denominated in currencies other than the functional currencies are included in determining net income for the period. For the three months ended August 31, 2012 and 2011, our transaction gains and losses were insignificant.

The assets and liabilities of subsidiaries whose functional currency is a foreign currency are translated at the period-end rate of exchange. Income statement items are translated at the weighted average rates prevailing during the period. The resulting translation adjustment is recorded as a component of other comprehensive income and is included in equity. Translation gains and losses on intercompany balances of a long-term investment nature are also recorded as a component of other comprehensive income.

Earnings per share— Basic earnings per share is computed by dividing reported earnings available to common shareholders by the weighted average shares outstanding during the period. Earnings available to common shareholders are the same as reported net income attributable to Global Payments for all periods presented.

Diluted earnings per share is computed by dividing reported earnings available to common shareholders by the weighted average shares outstanding during the period and the impact of securities that would have a dilutive effect on earnings per share. All options with an exercise price less than the average market share price for the period are assumed to have a dilutive effect on earnings per share. The diluted share base for the three months ended August 31, 2012 and 2011 excludes shares of 0.6 million and 0.2 million, respectively, related to stock options. These shares were not considered in computing diluted earnings per share because including

them would have had an antidilutive effect. No additional securities were outstanding that could potentially dilute basic earnings per share.

The following table sets forth the computation of diluted weighted average shares outstanding for the three months ended August 31, 2012 and 2011 (in thousands):

	Three Months Ended	
	August 31, 2012	August 31, 2011
Basic weighted average shares outstanding	78,604	80,076
Plus: dilutive effect of stock options and other share-based awards	439	755
Diluted weighted average shares outstanding	79,043	80,831

New accounting pronouncements— From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (“FASB”) or other standards setting bodies that are adopted by us as of the specified effective date. Unless otherwise discussed, our management believes that the impact of recently issued standards that are not yet effective will not have a material impact on our consolidated financial statements upon adoption.

In December 2011, the FASB issued ASU 2011-11, *"Disclosures About Offsetting Assets and Liabilities"* ("ASU 2011-11"). The amendments in ASU 2011-11 require entities to disclose information about offsetting and related arrangements to enable users of financial statements to understand the effect of those arrangements on an entity's financial position. The amendments require enhanced disclosures by requiring improved information about financial instruments and derivative instruments that are either (i) offset in accordance with current literature or (ii) subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset in accordance with current literature. ASU 2011-11 is effective for fiscal years, and interim periods within those years, beginning on or after January 1, 2013. This standard will become effective for us beginning June 2013. The disclosures required by ASU 2011-11 will be applied retrospectively for all comparative periods presented. We are currently evaluating the impact of ASU 2011-11 on our settlement processing assets and obligations disclosures.

NOTE 2-PROCESSING SYSTEM INTRUSION

In early March of 2012, we identified and self-reported unauthorized access into a limited portion of our North America card processing system.

As a result of this event, certain card networks removed us from their list of Payment Card Industry Data Security Standard, referred to as PCI DSS, compliant service providers. We have hired a Qualified Security Assessor, or QSA, to conduct an independent review of the PCI DSS compliance of our systems and are in the process of remediating our systems and processes where necessary. Once that review is complete and we conclude the required remediation, we will work closely with the networks to return to the lists of PCI DSS compliant service providers as quickly as possible. We continue to sign new merchants and process transactions around the world for all card networks.

The investigation also revealed potential unauthorized access to servers containing personal information collected from a subset of merchant applicants. It is unclear whether any such information was exported; however, we notified potentially-affected individuals and made available credit monitoring and identity protection insurance at no cost to the individuals.

During the quarter ended August 31, 2012, we have recorded $24.0 million of expense associated with this incident, bringing the life-to-date total expense to $108.4 million. Of this amount, $67.4 million represents an accrual for our estimate of fraud losses, fines and other charges that will be imposed upon us by the card networks. An additional $43.0 million represents costs incurred through August 31, 2012 for professional fees and other costs associated with the investigation and remediation, incentive payments to certain business partners and costs associated with credit monitoring and identity protection insurance. We have also recorded $2.0 million of insurance recoveries based on claims submitted to date as discussed below. We based our

estimate of fraud losses, fines and other charges on our understanding of the rules and operating regulations published by the networks and preliminary settlement discussions with the networks. As such, the final settlement amounts and our ultimate costs associated with fraud losses, fines and other charges that will be imposed by the networks could differ from the amount we have accrued as of August 31, 2012. Any such difference could have a material impact on our financial position, results of operations and cash flows in the period in which the associated claims are actually settled, or in the period in which we receive additional information that would cause us to refine our estimate of losses and adjust our accrual. Currently we do not have sufficient information to estimate the amount or range of additional possible loss for fraud losses, fines and other charges that will be imposed upon us by the card networks.

We are insured under policies that we believe may provide coverage of certain costs associated with this event. The policies provide a total of $30.0 million in policy limits and contain various sub-limits of liability and other terms, conditions and limitations, including a $1.0 million deductible per claim. The insurers have been advised of the circumstances surrounding our recent event. During fiscal year 2012, we recorded $2.0 million in insurance recoveries based on claims submitted to date. We did not submit any additional claims for reimbursement during the three months ended August 31, 2012. We expect to receive additional recoveries as we receive assessments from the networks and submit additional claims. We will record receivables for such recoveries in the periods in which we determine such recovery is probable and the amount can be reasonably estimated.

We expect to incur additional costs associated with investigation, remediation and demonstrating PCI DSS compliance and for the credit monitoring and identity protection insurance we are providing to potentially-affected individuals. We will expense such costs as they are incurred in accordance with our accounting policies for such costs. We currently anticipate that such additional costs may be material to our fiscal 2013 financial position, results of operations and cash flows.

A class action arising out of the processing system intrusion was filed against us on April 4, 2012 by Natalie Willingham (individually and on behalf of a putative nationwide class). Specifically, Ms. Willingham alleged that the Company failed to maintain reasonable and adequate procedures to protect her personally identifiable information (“PII”) which she claims resulted in two fraudulent charges on her credit card in March 2012. Further, Ms. Willingham asserted that the Company failed to timely notify the public of the data breach. Based on these allegations, Ms. Willingham asserted claims for negligence, violation of the Federal Stored Communications Act, willful violation of the Fair Credit Reporting Act, negligent violation of the Fair Credit Reporting Act, violation of Georgia's Unfair and Deceptive Trade Practices Act, negligence per se, breach of third-party beneficiary contract, and breach of implied contract. Plaintiff seeks an unspecified amount of damages and injunctive relief. The suit was filed in the United States District Court for the Northern District of Georgia. On May 14, 2012, the Company filed a motion to dismiss. On July 11, 2012, Plaintiff filed a motion for leave to amend her complaint, and on July 16, 2012, the Court granted that motion. Plaintiff filed an amended complaint on July 16, 2012. The amended complaint does not add any new causes of action. Instead, it adds two new named Plaintiffs (Nadine and Robert Hielscher) and drops Plaintiffs' claim for negligence per se. On August 16, 2012, the Company filed a motion to dismiss the Plaintiffs' amended complaint. At this stage of the proceedings we cannot predict the outcome of the matter, but we intend to defend the matter vigorously. We have not recorded a loss accrual related to this matter because we have not determined that a loss is probable. Currently we do not have sufficient information to estimate the amount or range of possible loss associated with this matter.

NOTE 3—BUSINESS AND INTANGIBLE ASSET ACQUISITIONS

Fiscal 2012

Alfa-Bank

On December 5, 2011, we acquired the merchant acquiring business of Alfa-Bank ("Alfa"), the largest privately owned bank in Russia, for $14.1 million in cash. This acquisition has been recorded as a business combination, and the purchase price is allocated to the assets acquired and liabilities assumed based on their estimated fair values. The purchase price of Alfa was determined by analyzing the historical and prospective financial statements. The results of operations of this business were not significant to our consolidated results of operations and accordingly, we have not provided pro forma information relating to this acquisition.

The following table summarizes the purchase price allocation (in thousands):

Goodwill	$	3,021
Customer-related intangible assets		7,004
Fixed Assets		1,137
Other Assets		2,888
Net assets acquired	$	14,050

The customer-related intangible assets have estimated amortization periods of 10 years.

Malta

On December 30, 2011, we acquired a merchant acquiring business in Malta from HSBC Malta for $14.5 million in cash. This acquisition has been recorded as a business combination, and the purchase price is allocated to the assets acquired and liabilities assumed based on their estimated fair values. In conjunction with the acquisition, HSBC Malta agreed to a 10 year marketing alliance agreement in which HSBC Malta will refer customers to us for payment processing services in Malta and provide sponsorship into the card networks. The purchase price of our merchant acquiring business in Malta was determined by analyzing the historical and prospective financial statements. The results of operations of this business were not significant to our consolidated results of operations and accordingly, we have not provided pro forma information relating to this acquisition.

The following table summarizes the purchase price allocation (in thousands):

Goodwill	$	6,341
Customer-related intangible assets		4,543
Contract-based intangible assets		2,796
Fixed assets		798
Net assets acquired	$	14,478

The goodwill associated with the acquisition is not deductible for tax purposes. The customer-related intangible assets have estimated amortization periods of 16 years. The contract-based intangible assets have estimated amortization periods of 10 years.

CyberSource

On January 31, 2012, we acquired the U.S. merchant portfolio of CyberSource from Visa for $14.9 million. The merchant portfolio has been classified as customer-related intangible assets with estimated amortization periods of 10 years.

NOTE 4—GOODWILL AND INTANGIBLE ASSETS

As of August 31, 2012 and May 31, 2012, goodwill and intangible assets consisted of the following:

	August 31, 2012	May 31, 2012
	(in thousands)	
Goodwill	$ 740,891	$ 724,687
Other intangible assets:		
Customer-related intangible assets	$ 460,680	$ 451,095
Trademarks, finite life	8,075	7,996
Contract-based intangible assets	67,699	66,393
	536,454	525,484
Less accumulated amortization on:		
Customer-related intangible assets	228,992	214,285
Trademarks	5,210	4,868
Contract-based intangible assets	17,627	16,143
	251,829	235,296
Total other intangible assets, net	$ 284,625	$ 290,188

The following table discloses the changes in the carrying amount of goodwill for the three months ended August 31, 2012:

	North America merchant services	International merchant services	Total
	(in thousands)		
Balance at May 31, 2012	$ 211,102	$ 513,585	$ 724,687
Accumulated impairment losses	—	—	—
	211,102	513,585	724,687
Goodwill acquired	—	—	—
Effect of foreign currency translation	4,495	11,709	16,204
Balance at August 31, 2012	$ 215,597	$ 525,294	$ 740,891

NOTE 5—LONG-TERM DEBT AND CREDIT FACILITIES

Outstanding debt consisted of the following:

	August 31, 2012	May 31, 2012
	(in thousands)	
Lines of credit:		
Corporate Credit Facility - long-term	$ 279,500	$ 229,500
Short-term lines of credit:		
United Kingdom Credit Facility	92,308	85,102
Hong Kong Credit Facility	55,662	54,564
Canada Credit Facility	9,820	20,033
Malaysia Credit Facility	9,482	12,844
Spain Credit Facility	23,654	17,241
Singapore Credit Facility	8,264	10,318
Philippines Credit Facility	5,030	6,336
Maldives Credit Facility	1,322	4,219
Macau Credit Facility	1,835	2,443
Sri Lanka Credit Facility	1,877	2,291
Total short-term lines of credit	209,254	215,391
Total lines of credit	488,754	444,891
Notes Payable	8,505	10,089
Term loans	45,000	73,396
Total debt	$ 542,259	$ 528,376
Current portion	$ 256,795	$ 291,811
Long-term debt	285,464	236,565
Total debt	$ 542,259	$ 528,376

Lines of Credit

The Corporate Credit Facility is available for general corporate purposes and to fund future strategic acquisitions. As of August 31, 2012 the interest rate on the Corporate Credit Facility was 1.74% and the facility expires on December 7, 2015. Our short-term line of credit facilities are used to fund settlement and provide a source of working capital. With certain of our credit facilities, the facility nets the amounts pre-funded to merchants against specific cash balances in local Global Payments accounts, which we characterize as cash and cash equivalents. Therefore, the amounts reported in lines of credit, which represents the amounts pre-funded to merchants, may exceed the stated credit limit, when in fact the combined position is less than the credit limit. The total available incremental borrowings under our credit facilities at August 31, 2012 were $905.1 million, of which $320.5 million is available under our Corporate Credit Facility.

Term Loans

We have a five-year unsecured $200.0 million term loan agreement with a syndicate of banks in the United States which we used to partially fund our HSBC Merchant Services LLP acquisition. The term loan expires in May 2013 and bears interest, at our election, at the prime rate or LIBOR, plus a leverage based margin. As of August 31, 2012 the interest rate on the term loan was 1.20%. The term loan has scheduled quarterly principal payments of $15.0 million for the next three fiscal quarter ends. As of August 31, 2012, the outstanding balance of the term loan was $45.0 million.

On July 10, 2012 we paid off the remaining $13.5 million outstanding of our $300.0 million term loan agreement ($230.0 million and £43.5 million) with a syndicate of financial institutions. The term loan had a variable interest rate based on LIBOR plus a leverage based margin.

Notes Payable

UCS, our subsidiary in the Russian Federation, has notes payable with a total outstanding balance of approximately $8.5 million at August 31, 2012. These notes have fixed interest rates of 8.5% with maturity dates ranging from September 2012 through November 2016.

Compliance with Covenants

There are certain financial and non-financial covenants contained in our various credit facilities and term loans. Our term loan agreements include financial covenants requiring a leverage ratio no greater than 3.25 to 1.00 and a fixed charge coverage ratio no less than 2.50 to 1.00. We complied with these covenants as of and for the three months ended August 31, 2012.

NOTE 6—INCOME TAX

We have a deferred tax asset of $92.1 million at August 31, 2012 primarily associated with the purchase of the remaining 49% interest in HSBC Merchant Services LLP in fiscal 2010 ("UK deferred tax asset").

Our effective tax rates were 31.4% and 32.7% for the three months ended August 31, 2012 and 2011, respectively. The effective tax rates for the three months ended August 31, 2012 and 2011 reflect adjustments to our UK deferred tax asset due to legislated enacted corporate tax rate reductions in the United Kingdom of 2% in each year.

As of August 31, 2012 and May 31, 2012, other long-term liabilities included liabilities for unrecognized income tax benefits of $49.1 million and $45.6 million, respectively. During the three months ended August 31, 2012, we recognized additional liabilities of $3.5 million for unrecognized income tax benefits. During both the three months ended August 31, 2012 and 2011, amounts recorded for accrued interest and penalty expense related to the unrecognized income tax benefits were insignificant. We expect the amounts of unrecognized tax benefits to increase by approximately $8.9 million within the next twelve months.

We conduct business globally and file income tax returns in the United States federal jurisdiction and various state and foreign jurisdictions. In the normal course of business, we are subject to examination by taxing authorities throughout the world, including such major jurisdictions as the United States, United Kingdom and Canada. We are currently under audit with the United States Internal Revenue Service for fiscal years 2011 and 2010. With few exceptions, we are no longer subject to income tax examinations for years ended May 31, 2005 and prior.

NOTE 7—SHAREHOLDERS' EQUITY

On July 26, 2012, our Board of Directors approved a share repurchase program that authorized the purchase of up to $150.0 million of Global Payments' stock in the open market at the current market price, subject to market conditions, business opportunities, and other factors. Under this authorization, we repurchased 110,000 shares of our common stock at a cost of $4.5 million, or an average of $41.47 per share, including commissions during the first quarter of fiscal 2013. As of August 31, 2012, we paid $3.2 million in cash for such shares with the remaining $1.3 million paid in September 2012, and recorded in accounts payable and accrued liabilities.

On August 8, 2011, our Board of Directors approved a share repurchase program that authorized the purchase of up to $100.0 million of Global Payments' stock in the open market at the current market price, subject to market conditions, business opportunities, and other factors. Under this authorization, we repurchased 2,290,059 shares of our common stock at a cost of $99.6 million, or an average of $43.49 per share, including commissions during fiscal 2012. This share repurchase program has concluded.

During the first quarter of fiscal 2011, we used the $13.0 million remaining under the authorization from our original share repurchase program initiated during fiscal 2007 to repurchase 344,847 shares of our common stock a cost of $13.0 million, or an average of $37.64 per share, including commissions.

NOTE 8—SHARE-BASED AWARDS AND OPTIONS

As of August 31, 2012, we have awards outstanding under four share-based employee compensation plans. The fair value of share-based awards is amortized as compensation expense on a straight-line basis over the vesting period.

Non-qualified stock options and restricted stock have been granted to officers, key employees and directors under the Global Payments Inc. 2000 Long-Term Incentive Plan, as amended and restated (the "2000 Plan"), the Global Payments Inc. Amended and Restated 2005 Incentive Plan (the "2005 Plan"), an Amended and Restated 2000 Non-Employee Director Stock Option Plan (the "Director Plan"), and the Global Payments Inc. 2011 Incentive Plan (the "2011 Plan") (collectively, the "Plans"). There were no further grants made under the 2000 Plan after the 2005 Plan was effective and the Director Plan expired by its terms on February 1, 2011 so no further grants will be granted thereunder.

On September 27, 2011, we held our 2011 Annual Meeting of Shareholders (the "Annual Meeting"). At the Annual Meeting, our shareholders approved the 2011 Plan, a plan that permits for grants of equity to employees, officers, directors and consultants. A total of 7.0 million shares of our common stock were reserved and made available for issuance pursuant to awards granted under the 2011 Plan. Effective with the adoption of the 2011 Plan, there will be no future grants under the 2005 Plan.

The following table summarizes the share-based compensation cost charged to income for (i) all stock options granted, (ii) our restricted stock program (including PRSUs and TSRs), and (iii) our employee stock purchase plan. The total income tax benefit recognized for share-based compensation in the accompanying unaudited statements of income is also presented.

	Three Months Ended	
	August 31, 2012	August 31, 2011
	(in millions)	
Share-based compensation cost	$ 4.2	$ 4.0
Income tax benefit	$ 1.4	$ 1.3

Stock Options

Stock options are granted at 100% of fair market value on the date of grant and have 10-year terms. Stock options granted vest one year after the date of grant in 25% increments over a four year period. The Plans provide for accelerated vesting under certain conditions. We have historically issued new shares to satisfy the exercise of options. There were no options granted under the 2005 or 2011 Plans during the three months ended August 31, 2012 and 2011.

The following is a summary of our stock option plans as of and for the three months ended August 31, 2012:

	Options (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in millions)
Outstanding at May 31, 2012	2,148	$ 34	4.1	$ 20.7
Granted	—	$ —		
Forfeited	(22)	$ 39		
Exercised	(206)	$ 18		
Outstanding at August 31, 2012	1,920	$ 35	4.1	$ 14.3
Options vested and exercisable at August 31, 2012	1,694	$ 34	3.7	$ 13.8

The aggregate intrinsic value of stock options exercised during the three months ended August 31, 2012 and 2011 was $4.9 million and $0.3 million, respectively. As of August 31, 2012, we had $3.0 million of total unrecognized compensation cost related to unvested options which we expect to recognize over a weighted average period of 2.1 years. We recognized compensation expense for stock options of $0.5 million and $0.7 million in the three months ended August 31, 2012 and 2011, respectively.

Restricted Stock

Shares and performance units awarded under the restricted stock program of the 2005 Plan and the 2011 Plan are held in escrow and released to the grantee upon the grantee’s satisfaction of conditions of the grantee’s restricted stock agreement. The grant date fair value of restricted stock awards is based on the quoted fair market value of our common stock at the award date.

Certain executives are granted two different types of performance units under our restricted stock program. A portion of those performance units represent the right to earn 0% to 200% of a target number of shares of Global Payments stock depending upon the achievement level of certain performance measures during the grant year (“PRSUs”). The target number of PRSUs and the performance measures (at threshold, target, and maximum) are set by the Compensation Committee of our Board of Directors. PRSUs are converted to a time-based restricted stock grant only if the Company's performance during the fiscal year exceeds pre-established goals. The other portion of these performance units represent the right to earn 0% to 200% of target shares of Global Payments stock based on Global Payments' relative total shareholder return compared to peer companies over a three year performance period ("TSRs"). The target number of TSRs for each executive is set by the Compensation Committee of our Board of Directors and a monte carlo simulation is used to calculate the estimated share payout.

Grants of restricted awards are subject to forfeiture if a grantee, among other conditions, leaves our employment prior to expiration of the restricted period. New grants of restricted awards generally vest one year after the date of grant in 25% increments over a four year period, with the exception of TSRs which vest after a three year period.

The following table summarizes the changes in non-vested restricted stock awards for the three months ended August 31, 2012.

	Share Awards	Weighted Average Grant-Date Fair Value
	(in thousands)	
Non-vested at May 31, 2012	941	$ 44
Granted	550	44
Vested	(306)	43
Forfeited	(41)	43
Non-vested at August 31, 2012	1,144	38

The total fair value of shares vested during the three months ended August 31, 2012 was $13.2 million. During the three months ended August 31, 2011, the weighted average grant-date fair value of shares vested was $40 and the total fair value of shares vested was $12.3 million.

We recognized compensation expense for restricted stock of $3.6 million and $3.0 million in the three months ended August 31, 2012 and 2011, respectively. As of August 31, 2012, there was $48.2 million of total unrecognized compensation cost related to unvested restricted stock awards that is expected to be recognized over a weighted average period of 2 years.

Employee Stock Purchase Plan

We have an Employee Stock Purchase Plan under which the sale of 2.4 million shares of our common stock has been authorized. Employees may designate up to the lesser of $25,000 or 20% of their annual compensation for the purchase of stock. The price for shares purchased under the plan is 85% of the market value on the last day of the quarterly purchase period. As of August 31, 2012, 1.0 million shares had been issued under this plan, with 1.4 million shares reserved for future issuance. We recognized compensation expense for the plan of $0.1 million and $0.2 million in the three months ended August 31, 2012 and 2011.

The weighted average grant-date fair value of each designated share purchased under this plan during the three months ended August 31, 2012 and 2011 was $6 and $8, respectively, which represents the fair value of the 15% discount.

NOTE 9—SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental cash flow disclosures are as follows:

	Three Months Ended	
	August 31, 2012	August 31, 2011
	(in thousands)	
Income taxes paid, net of refunds	$ 5,155	$ 4,703
Interest paid	2,866	3,470
Financing receivables:		
Investment in equipment for financing leases	$ —	$ —
Principal collections from customers – financing leases	740	583
Net decrease in financing receivables	$ 740	$ 583

NOTE 10—NONCONTROLLING INTERESTS

Pursuant to our agreement to acquire our redeemable noncontrolling interest, we have derecognized the redeemable noncontrolling interest at August 31, 2012 and recorded a liability for the purchase price. Please see Note 12 - Commitments and Contingencies for further information. The following table details the components of redeemable noncontrolling interests for the three months ended August 31, 2012 and 2011:

	Three Months Ended	
	August 31, 2012	August 31, 2011
	(in thousands)	
Beginning balance	$ 144,422	$ 133,858
Net income attributable to redeemable noncontrolling interest	1,814	2,605
Foreign currency translation adjustment	573	132
Change in the maximum redemption amount of redeemable noncontrolling interest	(817)	1,842
Derecognition of redeemable noncontrolling interest (See Note 12)	(145,992)	—
Ending balance	$ —	$ 138,437

For the three months ended August 31, 2012 and 2011, net income included in the consolidated statements of changes in shareholders' equity is reconciled to net income presented in the consolidated statements of income as follows:

	Three Months Ended	
	August 31, 2012	August 31, 2011
	(in thousands)	
Net income attributable to Global Payments	$ 46,675	$ 63,974
Net income attributable to nonredeemable noncontrolling interest	5,673	5,502
Net income attributable to redeemable noncontrolling interest	1,814	2,605
Net income including noncontrolling interest	$ 54,162	$ 72,081

The following table is the reconciliation of net income attributable to noncontrolling interest to comprehensive income attributable to noncontrolling interest for the three months ended August 31, 2012 and 2011:

	Three Months Ended	
	August 31, 2012	August 31, 2011
	(in thousands)	
Net income attributable to noncontrolling interest, net of tax	$ 7,487	$ 8,107
Foreign currency translation attributable to nonredeemable noncontrolling interests	2,391	(290)
Foreign currency translation attributable to redeemable noncontrolling interests	573	132
Comprehensive income attributable to noncontrolling interests, net of tax	$ 10,451	$ 7,949

NOTE 11—SEGMENT INFORMATION

General information

We operate in two reportable segments, North America Merchant Services and International Merchant Services. The merchant services segments primarily offer processing solutions for credit cards, debit cards, and check-related services.

Information about profit and assets

We evaluate performance and allocate resources based on the operating income of each segment. The operating income of each segment includes the revenues of the segment less those expenses that are directly related to those revenues. Operating overhead, shared costs and certain compensation costs are included in Corporate in the following table. Interest expense or income and income tax expense are not allocated to the individual segments. Lastly, we do not evaluate performance or allocate resources using segment asset data. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies in Note 1.

Information on segments, including revenues by geographic distribution within segments, and reconciliations to consolidated revenues and consolidated operating income are as follows for the three months ended August 31, 2012 and 2011:

	Three Months Ended	
	August 31, 2012	August 31, 2011
	(in thousands)	
Revenues:		
United States	$ 345,898	$ 287,425
Canada	80,897	91,221
North America merchant services	426,795	378,646
Europe	128,465	129,414
Asia-Pacific	35,027	34,711
International merchant services	163,492	164,125
Consolidated revenues	$ 590,287	$ 542,771
Operating income for segments:		
North America merchant services	$ 67,217	$ 71,758
International merchant services	57,140	55,658
Corporate	(43,869)	(18,806)
Consolidated operating income	$ 80,488	$ 108,610
Depreciation and amortization:		
North America merchant services	$ 9,256	$ 8,532
International merchant services	13,624	15,160
Corporate	1,015	524
Consolidated depreciation and amortization	$ 23,895	$ 24,216

Our results of operations and our financial condition are not significantly reliant upon any single customer.

NOTE 12—COMMITMENTS AND CONTINGENCIES

BIN/ICA Agreements

In connection with our acquisition of merchant credit card operations of banks, we have entered into sponsorship or depository and processing agreements with certain of the banks. These agreements allow us to use the banks' identification numbers, referred

to as Bank Identification Number ("BIN") for Visa transactions and Interbank Card Association ("ICA") number for MasterCard transactions, to clear credit card transactions through Visa and MasterCard. Certain of such agreements contain financial covenants, and we were in compliance with all such covenants as of August 31, 2012.

On June 18, 2010, CIBC provided notice that they would not renew the sponsorship for Visa in Canada after the initial ten year term. As a result, our Canadian Visa sponsorship expired in March 2011. We have filed an application with the Canadian regulatory authorities for the formation of a wholly owned loan company in Canada which would serve as our financial institution sponsor. While such application was pending, in March 2011, we obtained temporary direct participation in the Visa Canada system. This temporary status will expire on March 31, 2013. In the event the wholly owned loan company has not been approved by the expiration date and Visa is unwilling to extend our temporary status, we have entered into an agreement with a financial institution who is willing to serve as our sponsor.

Redeemable Noncontrolling Interest Acquisition

We have a noncontrolling interest associated with our Asia-Pacific merchant services business. Global Payments Asia-Pacific, Limited, or GPAP, is the entity through which we conduct our merchant acquiring business in the Asia-Pacific region. We own 56% of GPAP and HSBC Asia Pacific owns the remaining 44%. On July 26, 2012, we entered into an agreement to purchase all of HSBC's interest in GPAP for fair value of $242.0 million. In accordance with Accounting Standards Codification 480, *Distinguishing Liabilities from Equity*, the agreement to purchase HSBC's interest in GPAP has been accounted for as a freestanding forward contract and therefore, the noncontrolling interest in GPAP has been classified as a liability as of the agreement date. The liability is measured at fair value. As such, we have derecognized our previous redeemable noncontrolling interest in GPAP as of July 26, 2012 and recorded a corresponding current liability in the accompanying consolidated balance sheet as of August 31, 2012. The difference between the maximum redemption amount of the redeemable noncontrolling interest at July 26, 2012 and the fair value of the liability was recorded as a reduction of paid-in capital of $96.0 million. We have not attributed any income to the redeemable noncontrolling interest subsequent to July 26, 2012. HSBC is entitled to dividends through the closing of the transaction pursuant to the GPAP shareholders agreement and the purchase agreement. Such dividends, when paid or declared, will be reflected as interest expense in our consolidated statements of income.

NOTE 13—SUBSEQUENT EVENTS

On September 28, 2012, we closed a new five-year senior unsecured term loan facility of $700.0 million and a $150 million increase to our existing $600 million senior unsecured revolving credit facility arranged by a syndicate of lenders. The term loan facility expires in September 2017, while the revolver maturity is unchanged at December 2015. Both agreements carry a short-term variable interest rate plus a leverage-based margin. We used the proceeds to fund the APT acquisition described below and to repay a portion of our existing debt.

On October 1, 2012, we completed the acquisition of Accelerated Payment Technologies ("APT") for $413 million plus $1.2 million of preliminary working capital, subject to post-closing adjustments based on APT's final closing balance sheet. We acquired APT, a provider of fully-integrated payment technology solutions for small and medium sized merchants, to expand our direct distribution channel in the United States. We currently process the majority of APT's transactions under an existing processing relationship and, as a result, our revenue will not materially change with this acquisition. We funded the acquisition with the new financing described above. This transaction will be recorded as a business combination and the purchase price will be allocated to the assets acquired and liabilities assumed based on their estimated fair values. Due to the timing of this transaction, the allocation of purchase price has not been finalized pending valuation of intangible assets acquired.

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

For an understanding of the significant factors that influenced our results, the following discussion should be read in conjunction with our unaudited consolidated financial statements and related notes appearing elsewhere in this report. This management’s discussion and analysis should also be read in conjunction with the management’s discussion and analysis and consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended May 31, 2012.

General

We are a provider of electronic payments transaction processing services for consumers, merchants, Independent Sales Organizations (ISOs), financial institutions, government agencies and multi-national corporations located throughout the United States, Canada, the United Kingdom, Spain, the Asia-Pacific region, the Czech Republic and the Russian Federation. We serve as an intermediary to facilitate payments transactions and operate in two business segments, North America Merchant Services and International Merchant Services. We were incorporated in Georgia as Global Payments Inc. in September 2000 and spun-off from our former parent company on January 31, 2001. Including our time as part of our former parent company, we have been in business since 1967.

Our North America Merchant Services and International Merchant Services segments target customers in many vertical industries including financial institutions, gaming, government, health care, professional services, restaurants, retail, universities, nonprofit organizations and utilities.

Our offerings provide merchants, ISOs and financial institutions with credit and debit card transaction processing and check-related services. The majority of our business model provides payment products and services directly to merchants as our end customers. We also provide similar products and services to financial institutions and a limited number of ISOs that, in turn, resell our products and services, in which case, the financial institutions and select ISOs are our end customers. These particular services are marketed in the United States, Canada, and parts of Eastern Europe.

The majority of merchant services revenue is generated on services priced as a percentage of transaction value or a specified fee per transaction, depending on card type. We also charge other fees based on specific services that are unrelated to the number of transactions or the transaction value. Revenue from credit cards and signature debit cards, which are only a U.S. based card type, is generally based on a percentage of transaction value along with other related fees, while revenue from PIN debit cards is typically based on a fee per transaction.

Our products and services are marketed through a variety of sales channels that include a dedicated direct sales force, ISOs, an internal telesales group, retail outlets, trade associations, alliance bank relationships and financial institutions. We seek to leverage the continued shift to electronic payments by expanding market share in our existing markets through our distribution channels or through acquisitions in North America, the Asia-Pacific region and Europe, and investing in and leveraging technology and people, thereby maximizing shareholder value. We also seek to enter new markets through acquisitions in the Asia-Pacific region, Europe, and Latin America.

Our business does not have pronounced seasonality in which more than 30% of our revenues occur in one quarter. However, each geographic channel has somewhat higher and lower quarters given the nature of the portfolio. While there is some variation in seasonality across markets, the first and fourth quarters are generally the strongest, and the third quarter tends to be the slowest due to lower volumes in the months of January and February.

Executive Overview

In early March of 2012, we identified and self-reported unauthorized access into a limited portion of our North America card processing system.

As a result of this event, certain card networks removed us from their list of PCI DSS compliant service providers. We have hired a Qualified Security Assessor, or QSA, to conduct an independent review of the PCI DSS compliance of our systems and are in the process of remediating our systems and processes where necessary. Once that review is complete and we conclude the required remediation, we will work closely with the networks to return to the lists of PCI DSS compliant service providers as quickly as possible. We continue to sign new merchants and process transactions around the world for all card networks.

The investigation also revealed potential unauthorized access to servers containing personal information collected from a subset of merchant applicants. It is unclear whether any such information was exported; however, we notified potentially-affected individuals and made available credit monitoring and identity protection insurance at no cost to the individual.

During the quarter ended August 31, 2012, we have recorded $24.0 million of expense associated with this incident, bringing the life to date total expense to $108.4 million. Of this amount, $67.4 million represents an accrual for our estimate of fraud losses, fines and other charges that will be imposed upon us by the card networks. An additional $43.0 million represents costs incurred through August 31, 2012 for professional fees and other costs associated with the investigation and remediation, incentive payments to certain business partners and costs associated with credit monitoring and identity protection insurance. During fiscal year 2012, we recorded $2.0 million in insurance recoveries based on claims submitted to date. We did not submit any additional claims for reimbursement during the three months ended August 31, 2012.

Revenues increased $47.5 million, or 9%, during the three months ended August 31, 2012 compared to the prior year’s comparable period. This increase is primarily due to growth driven by our U.S. ISO channel, reduced interchange expenses due to legislation as explained below, strong growth from our gaming business and solid performance from our direct sales channel.

Operating income decreased $28.1 million during the three months ended August 31, 2012 compared to the prior year’s comparable period. Operating margins for the three months ended August 31, 2012 decreased to 13.6% compared to 20.0% during the three months ended August 31, 2011. The decline in operating margins is due to costs associated with the processing system intrusion and, to a lesser extent, ISO channel dilution.

For the three months ended August 31, 2012 currency exchange rate fluctuations decreased our revenues by $15.9 million and our earnings by $0.04 per diluted share. To calculate this impact, we converted our fiscal 2013 actual revenues and expenses from continuing operations at fiscal 2012 currency exchange rates. Further fluctuations in currency exchange rates or decreases in consumer spending could cause our results to differ from our current expectations.

On July 26, 2012 we agreed to purchase the remaining 44% of GPAP from HSBC for $242.0 million. This transaction is expected to close during our second fiscal quarter of 2013.

On September 28, 2012, we closed a new five-year senior unsecured term loan facility of $700.0 million and a $150 million increase to our existing $600 million senior unsecured revolving credit facility arranged by a syndicate of lenders. We used the proceeds to fund the APT acquisition described below and to repay a portion of our existing debt.

On October 1, 2012, we completed the acquisition of Accelerated Payment Technologies ("APT") for $413 million plus $1.2 million of working capital, subject to post-closing adjustments based on APT's final closing balance sheet. We acquired APT, a provider of fully-integrated payment technology solutions for small and medium sized merchants, to expand our direct distribution channel in the United States. We currently process the majority of APT's transactions under an existing processing relationship and,

as a result, our revenue will not materially change with this acquisition. We funded the acquisition with the new financing described above.

Results of Operations

The following table shows key selected financial data for the three months ended August 31, 2012 and 2011, this data as a percentage of total revenue, and the changes between three months ended August 31, 2012 and 2011, in dollars and as a percentage of the prior year's comparable period.

	Three Months Ended August 31, 2012	% of Revenue[1]	Three Months Ended August 31, 2011	% of Revenue[1]	Change	% Change
			(dollar amounts in thousands)			
Revenues:						
United States	$ 345,898	59	$ 287,425	53	$ 58,473	20
Canada	80,897	14	91,221	17	(10,324)	(11)
North America merchant services	426,795	72	378,646	70	48,149	13
Europe	128,465	22	129,414	24	(949)	(1)
Asia-Pacific	35,027	6	34,711	6	316	1
International merchant services	163,492	28	164,125	30	(633)	—
Total revenues	$ 590,287	100	$ 542,771	100	$ 47,516	9
Consolidated operating expenses:						
Cost of service	$ 204,391	34.6	$ 191,536	35.3	$ 12,855	7
Sales, general and administrative	281,419	47.7	242,625	44.7	38,794	16
Processing system intrusion	23,989	4.1	—	—	23,989	NM
Operating income	$ 80,488	13.6	$ 108,610	20.0	$ (28,122)	(26)
Operating income for segments:						
North America merchant services	$ 67,217		$ 71,758		$ (4,541)	(6)
International merchant services	57,140		55,658		1,482	3
Corporate	(43,869)		(18,806)		(25,063)	(133)
Operating income	$ 80,488		$ 108,610		$ (28,122)	(26)
Operating margin for segments:						
North America merchant services	15.7%		19.0%		(3.3)%	
International merchant services	34.9%		33.9%		1.0 %	

[1] Percentage amounts may not sum to the total due to rounding.

Processing System Intrusion

In early March of 2012, we identified and self-reported unauthorized access into a limited portion of our North America card processing system.

As a result of this event, certain card networks removed us from their list of Payment Card Industry Data Security Standard, referred to as PCI DSS, compliant service providers. We have hired a Qualified Security Assessor, or QSA, to conduct an independent review of the PCI DSS compliance of our systems and are in the process of remediating our systems and processes where necessary.
Once that review is complete and we conclude the required remediation, we will work closely with the networks to return to the lists of PCI DSS compliant service providers as quickly as possible. We continue to sign new merchants and process transactions around the world for all card networks.

The investigation also revealed potential unauthorized access to servers containing personal information collected from a subset of merchant applicants. It is unclear whether any such information was exported; however, we notified potentially-affected individuals and made available credit monitoring and identity protection insurance at no cost to the individual.

During the quarter ended August 31, 2012, we have recorded $24.0 million of expense associated with this incident, bringing the life-to-date total expense to $108.4 million. Of this amount, $67.4 million represents an accrual for our estimate of fraud losses, fines and other charges that will be imposed upon us by the card networks. An additional $43.0 million represents costs incurred through August 31, 2012 for professional fees and other costs associated with the investigation and remediation, incentive payments to certain business partners and costs associated with credit monitoring and identity protection insurance. We have also recorded $2.0 million of insurance recoveries based on claims submitted to date as discussed below. We based our estimate of fraud losses, fines and other charges on our understanding of the rules and operating regulations published by the networks and preliminary settlement discussions with the networks. As such, the final settlement amounts and our ultimate costs associated with fraud losses, fines and other charges that will be imposed by the networks could differ from the amount we have accrued as of August 31, 2012. Any such difference could have a material impact on our financial position, results of operations and cash flows in the period in which the associated claims are actually settled, or in the period in which we receive additional information that would cause us to refine our estimate of losses and adjust our accrual. Currently we do not have sufficient information to estimate the amount or range of additional possible loss for fraud losses, fines and other charges that will be imposed upon us by the card networks.

We are insured under policies that we believe may provide coverage of certain costs associated with this event. The policies provide a total of $30.0 million in policy limits and contain various sub-limits of liability and other terms, conditions and limitations, including a $1.0 million deductible per claim. The insurers have been advised of the circumstances surrounding our recent event. During fiscal year 2012, we recorded $2.0 million in insurance recoveries based on claims submitted to date. We did not submit any additional claims for reimbursement during the three months ended August 31, 2012. We expect to receive additional recoveries as we receive assessments from the networks and submit additional claims. We will record receivables for such recoveries in the periods in which we determine such recovery is probable and the amount can be reasonably estimated.

We expect to incur additional costs associated with investigation, remediation and demonstrating PCI DSS compliance and for the credit monitoring and identity protection insurance we are providing to potentially-affected individuals. We will expense such costs as they are incurred in accordance with our accounting policies for such costs. We currently anticipate that such additional costs may be $55 to $65 million in fiscal 2013 (prior to any potential insurance recovery), including the $24.0 million recorded during the quarter ended August 31, 2012. We anticipate that we may receive additional insurance recoveries of up to $28 million.

A class action arising out of the processing system intrusion was filed against us on April 4, 2012 by Natalie Willingham (individually and on behalf of a putative nationwide class). Specifically, Ms. Willingham alleged that the Company failed to maintain reasonable and adequate procedures to protect her personally identifiable information (“PII”) which she claims resulted in two fraudulent charges on her credit card in March 2012. Further, Ms. Willingham asserted that the Company failed to timely notify the public of the data breach. Based on these allegations, Ms. Willingham asserted claims for negligence, violation of the Federal Stored Communications Act, willful violation of the Fair Credit Reporting Act, negligent violation of the Fair Credit Reporting Act, violation of Georgia's Unfair and Deceptive Trade Practices Act, negligence per se, breach of third-party beneficiary contract, and breach of implied contract. Plaintiff seeks an unspecified amount of damages and injunctive relief. The suit was filed in the United States District Court for the Northern District of Georgia. On May 14, 2012, the Company filed a motion to dismiss. On July 11, 2012, Plaintiff filed a motion for leave to amend her complaint, and on July 16, 2012, the Court granted that motion. Plaintiff filed an amended complaint on July 16, 2012. The amended complaint does not add any new causes of action. Instead, it adds two new named Plaintiffs (Nadine and Robert Hielscher) and drops Plaintiffs' claim for negligence per se. On August 16, 2012, the Company filed a motion to dismiss the Plaintiffs' amended complaint. At this stage of the proceedings we cannot predict the outcome of the matter, but we intend to defend the matter vigorously. We have not recorded a loss accrual related to this matter because we have

not determined that a loss is probable. Currently we do not have sufficient information to estimate the amount or range of possible loss associated with this matter.

This event could result in additional lawsuits in the future. In addition, governmental entities have made inquiries and may initiate investigations related to the event. We have not recorded any loss accruals related to these items or any other claims (except as described above) that have been or may be asserted against us in relation to this incident as we have not determined that losses associated with any such claims or potential claims are probable. Further, we do not have sufficient information to estimate the amount or range of possible losses associated with such matters. As more information becomes available, if we should determine that an unfavorable outcome is probable on such a claim and that the amount of such probable loss that we will incur on that claim is reasonably estimable, we will accrue our estimate of such loss. If and when we record such an accrual, it could be material and could adversely impact our financial position, results of operations or cash flows.

Revenues

We derive our revenues from three primary sources: charges based on volumes and fees for services, charges based on transaction quantity, and equipment sales and rentals, and service fees. Revenues generated by these areas depend upon a number of factors, such as demand for and price of our services, the technological competitiveness of our product offerings, our reputation for providing timely and reliable service, competition within our industry and general economic conditions.

For the three months ended August 31, 2012, revenues increased 9% to $590.3 million compared to the prior year's comparable period primarily due to growth driven by our U.S. ISO channel, reduced interchange expenses due to legislation as explained below, strong growth from our gaming business and solid performance from our direct sales channel.

Our revenues have been affected by fluctuations in foreign currency exchange rates. For the three months ended August 31, 2012, currency exchange rate fluctuations decreased our revenues by $15.9 million.

North America Merchant Services Segment

For the three months ended August 31, 2012, revenue from our North America merchant services segment increased 13% to $426.8 million compared to the prior year's comparable period. North America revenue growth was driven by our U.S. ISO channel, reduced interchange expenses due to legislation as explained below, strong growth from our gaming business and solid performance from our direct sales channel.

We grow our United States revenue by adding small and mid-market merchants in diversified vertical markets, primarily through our ISO channel. For the three months ended August 31, 2012, our United States direct credit and debit card processed transactions grew 12% compared to the prior year period. Increased spreads, primarily driven by the Durbin amendment, have offset the impact of lower average ticket, which decreased by 3% for the three months ended August 31, 2012. This decline in average ticket is primarily due to a shift toward smaller merchants added through our ISO channel. Smaller merchants tend to have lower average tickets than larger merchants. Based on our mix of merchants, slightly more than half of our United States transactions are comprised of a combination of signature- and PIN-based debit transactions, with PIN-based debit transactions representing less than 10% of our total transactions.

On June 29, 2011, the Federal Reserve board adopted the final rule implementing Section 1075 ("the Durbin amendment") of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Effective October 1, 2011, the Durbin amendment capped the amount of debit interchange that card issuers may charge on debit transactions. Our interchange expenses decreased as a result of the Durbin amendment. We recognize revenue net of interchange expense; therefore, our revenues increased for the three months ended August 31, 2012 as a result of lower interchange expense. We believe that any future benefits resulting from the Durbin amendment are uncertain due to our competitive marketplace.

For the three months ended August 31, 2012, our Canadian revenue decreased 11%, and our credit and debit card processed transactions grew 3% compared to the prior year period. The decrease in revenue was due to market-driven pricing pressure and by unfavorable currency trends in Canada compared to the prior year's comparable period.

International Merchant Services Segment

For the three months ended August 31, 2012, International merchant services revenue remained flat when compared to the prior year's comparable period due to unfavorable foreign currency exchange rates across all currencies.

Our Europe merchant services revenue for the three months ended August 31, 2012 decreased 1% to $128.5 million compared to the prior year period. On a local currency basis, Europe revenue growth was solid, driven by growth in the U.K., Spain, and Russia. In addition to unfavorable foreign currency trends, Europe revenue growth was also negatively affected by last year's marketing fee true-up in Spain.

Asia-Pacific merchant services revenue for the three months ended August 31, 2012 increased 1% to $35.0 million compared to the prior year's comparable period. The Asia-Pacific revenue was negatively affected by general economic slowdown resulting in a 5% decline in our average ticket.

Consolidated Operating Expenses

Cost of service consists primarily of the following costs: operations-related personnel, including those who monitor our transaction processing systems and settlement functions; assessment fees paid to card networks; transaction processing systems, including third-party services; network telecommunications capability; depreciation and occupancy costs associated with the facilities performing these functions; amortization of intangible assets; and provisions for operating losses.

Cost of service increased 7% for the three months ended August 31, 2012, respectively, compared to the prior year's comparable period primarily driven by revenue growth.

Sales, general and administrative expenses consists primarily of salaries, wages and related expenses paid to sales personnel; non-revenue producing customer support functions and administrative employees and management; commissions paid to ISOs, independent contractors, and other third parties, advertising costs; other selling expenses, share-based compensation expenses and occupancy of leased space directly related to these functions.

Sales, general and administrative expenses increased 16% for the three months ended August 31, 2012 compared to the prior year's comparable period. As a percentage of revenue, sales, general and administrative expense increased to 47.7% for the three months ended August 31, 2012 compared to 44.7% in the prior year's comparable period. This increase is primarily due to an increase in commission payments to ISOs.

Operating Income and Operating Margin for Segments

For the purpose of discussing segment operations, we refer to operating income as calculated by subtracting segment direct expenses from segment revenue. Overhead and shared expenses, including share-based compensation costs, are not allocated to segment operations; they are reported in the caption "Corporate." Similarly, references to operating margin regarding segment operations mean segment operating income divided by segment revenue.

North America Merchant Services Segment

Operating income in the North America merchant services segment decreased 6% for the three months ended August 31, 2012 compared to the prior year's comparable period. The operating margin was 15.7% and 19.0% for the three months ended August 31, 2012 and 2011, respectively. The decrease in operating margin was primarily driven by unfavorable currency trends in Canada, spread compression in Canada and ISO channel dilution, including the impact of the Durbin amendment.

Effective October 1, 2011, the new debit interchange legislation capped the amount of interchange that card issuers may charge on debit transactions. Our interchange expenses decreased as a result of this. We recognize revenue net of interchange expense; therefore, our revenues increased as a result of lower interchange expense with a resulting increase in operating income as well. Increased revenues came primarily through our ISO channel, where reduced interchange fees led to higher revenues and a proportional increase in ISO commission expense, with an associated reduction in our operating margin.

International Merchant Services Segment

Operating income in the International merchant services segment increased 3% to $57.1 million for the three months ended August 31, 2012 compared to the prior year's comparable period. The operating margin was 34.9% and 33.9% for the three months ended August 31, 2012 and 2011, respectively. The increase in operating margin is due to strong segment results, partially offset by last year's marketing fee true-up in Spain and unfavorable currency trends.

Corporate

Our corporate expenses include costs associated with our Atlanta headquarters, expenses related to our Global Service Center in Manila, Philippines that have not been allocated to our business segments, insurance, employee incentive programs, share-based compensation programs, certain corporate staffing areas, including finance, accounting, information technology, legal, human resources, marketing and executive. We also consider cost associated with the processing system intrusion to be corporate cost. Our corporate costs increased 133% to $43.9 million for the three months ended August 31, 2012 compared to the prior year's comparable period. This increase is primarily due to costs associated with the processing system intrusion.

Consolidated Operating Income

During the three months ended August 31, 2012, our consolidated operating income decreased $28.1 million to $80.5 million compared to the prior year's comparable period. The decrease in our consolidated operating income is primarily due to costs associated with the processing system intrusion.

Consolidated Other Income/Expense, Net

Other income and expense consists primarily of interest income and interest expense. Other expense, net, remained flat at $1.6 million for both the three months ended August 31, 2012 and 2011.

Provision for Income Taxes

Our effective tax rates were 31.4% and 32.7% for the three months ended August 31, 2012 and 2011, respectively. The effective tax rates for the three months ended August 31, 2012 and 2011 reflect adjustments to our UK deferred tax asset due to legislated enacted corporate tax rate reductions in the United Kingdom of 2% per year.

Noncontrolling Interests, Net of Tax

Noncontrolling interests, net of tax decreased to $7.5 million from $8.1 million for the three months ended August 31, 2012 and 2011, respectively. We have not attributed any income to the GPAP redeemable noncontrolling interest subsequent to July 26, 2012, the date of our agreement to purchase HSBC's interest.

Liquidity and Capital Resources

A significant portion of our liquidity comes from operating cash flows. Cash flow from operations is used to make planned capital investments in our business, to pursue acquisitions that meet our corporate objectives, to pay dividends, and to pay off debt and repurchase our shares at the discretion of our Board of Directors. Accumulated cash balances are invested in high quality and marketable short term instruments.

Our capital plan objectives are to support the Company's operational needs and strategic plan for long-term growth while maintaining a low cost of capital. Lines of credit are used in certain of our markets to fund settlement and as a source of working capital and, along with other bank financing, to fund acquisitions. We regularly evaluate our liquidity and capital position relative to cash requirements, and we may elect to raise additional funds in the future, either through the issuance of debt, equity or otherwise.

At August 31, 2012, we had cash and cash equivalents totaling $841.3 million. Of this amount, we consider $278.0 million to be available cash. Our available cash balance includes $251.8 million of cash held by foreign subsidiaries whose earnings are considered permanently reinvested for U.S. tax purposes. These cash balances reflect our capital investments in these subsidiaries

and the accumulation of cash flows generated by each subsidiary's operations, net of cash flows used to service debt locally and fund non-U.S, acquisitions. We believe that we are able to maintain a sufficient level of liquidity for our domestic operations and commitments without repatriation of the earnings of these foreign subsidiaries. If we were to repatriate some or all of the cash held by such foreign subsidiaries, we do not believe that the associated income tax liabilities would have a significant impact on our liquidity.

Available cash generally excludes settlement related and merchant reserve cash balances. Settlement related cash balances represent funds that we hold on behalf of our member sponsors when the incoming amount from the card networks precedes the member sponsors' funding obligation to the merchant. Merchant reserve cash balances represent funds collected from our merchants that serve as collateral (“Merchant Reserves”) to minimize contingent liabilities associated with any losses that may occur under the merchant agreement. At August 31, 2012, our cash and cash equivalents included $323.4 million related to Merchant Reserves. While this cash is not restricted in its use, we believe that designating this cash to collateralize Merchant Reserves strengthens our fiduciary standing with our member sponsors and is in accordance with the guidelines set by the card networks. See *Cash and cash equivalents* and *Settlement processing assets and obligations* under Note 1 in the notes to the consolidated financial statements for additional details.

Operating activities provided net cash of $68.6 million during the three months ended August 31, 2012 compared to using net cash of $605.9 million during the prior year’s comparable period. The increase in cash flow from operating activities was primarily due the change in net settlement processing assets and obligations of $679.3 million. See *Settlement processing assets and obligations* under Note 1 in the notes to the unaudited consolidated financial statements for additional details.

Net cash used in investing activities increased $17.1 million to $28.7 million for the three months ended August 31, 2012 from the prior year’s comparable period, primarily due to our capital expenditures of $29.2 million for investments in software and infrastructure during the three months ended August 31, 2012.

For the three months ended August 31, 2012, financing activities provided $6.0 million in cash compared to $11.7 million cash used in financing activities in the prior year. The increase in cash provided by financing activities was primarily related to our repurchase of 1,854,259 shares of our common stock with a cash payment of $73.2 million in the first quarter of the prior year, offset by decreased borrowings on our lines of credit and decreased net long-term borrowings in the first quarter of 2012.

On September 28, 2012, we closed a new five-year senior unsecured term loan facility of $700.0 million and a $150 million increase to our existing $600 million senior unsecured revolving credit facility arranged by a syndicate of lenders. The term loan facility expires in September 2017, while the revolver maturity is unchanged at December 2015. Both agreements carry a short-term variable interest rate plus a leverage-based margin. We used the proceeds to fund the APT acquisition described below and to repay a portion of our existing debt.

On October 1, 2012, we completed the acquisition of Accelerated Payment Technologies ("APT") for $413 million plus $1.2 million of working capital, subject to post-closing adjustments based on APT's final closing balance sheet. We acquired APT, a provider of fully-integrated payment technology solutions for small and medium sized merchants, to expand our direct distribution channel in the United States. We currently process the majority of APT's transactions under an existing processing relationship and, as a result, our revenue will not materially change with this acquisition. We funded the acquisition with the new financing described above.

We believe that our level of cash and borrowing capacity under our lines of credit, including the financing detailed above, together with future cash flows from operations, are sufficient to meet the needs of our existing operations and planned requirements for the foreseeable future. During fiscal year 2013, we expect capital expenditures to approximate $110 million.

Contractual Obligations

The operating lease commitments disclosed in our Annual Report on Form 10-K for the year ended May 31, 2012 have not changed significantly. Our remaining current contractual and other obligations are as follows:

Redeemable Noncontrolling Interest Acquisition

We have a noncontrolling interest associated with our Asia-Pacific merchant services business. Global Payments Asia-Pacific, Limited, or GPAP, is the entity through which we conduct our merchant acquiring business in the Asia-Pacific region. We own 56% of GPAP and HSBC Asia Pacific owns the remaining 44%. On July 26, 2012, we entered into an agreement to purchase all of HSBC's interest in GPAP for fair value of $242.0 million. In accordance with Accounting Standards Codification 480, *Distinguishing Liabilities from Equity*, the agreement to purchase HSBC's interest in GPAP has been accounted for as a freestanding forward contract and therefore, the noncontrolling interest in GPAP has been classified as a liability as of the agreement date. The liability is measured at fair value. As such, we have derecognized our previous redeemable noncontrolling interest in GPAP as of July 26, 2012 and recorded a corresponding current liability in the accompanying consolidated balance sheet as of August 31, 2012. The difference between the maximum redemption amount of the redeemable noncontrolling interest at July 26, 2012 and the fair value of the liability was recorded as a reduction of paid-in capital of $96.0 million. We have not attributed any income to the redeemable noncontrolling interest subsequent to July 26, 2012. HSBC is entitled to dividends through the closing of the transaction pursuant to the GPAP shareholders agreement and the purchase agreement. Such dividends, when paid or declared, will be reflected as interest expense in our consolidated statements of income.

Long-Term Debt and Credit Facilities

Outstanding debt consisted of the following:

	August 31, 2012	May 31, 2012
	(in thousands)	
Lines of credit:		
Corporate Credit Facility - long term	$ 279,500	$ 229,500
Short-term lines of credit:		
United Kingdom Credit Facility	92,308	85,102
Hong Kong Credit Facility	55,662	54,564
Canada Credit Facility	9,820	20,033
Malaysia Credit Facility	9,482	12,844
Spain Credit Facility	23,654	17,241
Singapore Credit Facility	8,264	10,318
Philippines Credit Facility	5,030	6,336
Maldives Credit Facility	1,322	4,219
Macau Credit Facility	1,835	2,443
Sri Lanka Credit Facility	1,877	2,291
Total short-term lines of credit	$ 209,254	$ 215,391
Total lines of credit	488,754	444,891
Notes Payable	8,505	10,089
Term loans	45,000	73,396
Total debt	$ 542,259	$ 528,376
Current portion	$ 256,795	$ 291,811
Long-term debt	285,464	236,565
Total debt	$ 542,259	$ 528,376

Lines of Credit

The Corporate Credit Facility is available for general corporate purposes and to fund future strategic acquisitions. As of August 31, 2012 the interest rate on the Corporate Credit Facility was 1.74% and the facility expires on December 7, 2015. Our short-term line of credit facilities are used to fund settlement and provide a source of working capital. With certain of our credit

facilities, the facility nets the amounts pre-funded to merchants against specific cash balances in local Global Payments accounts, which we characterize as cash and cash equivalents. Therefore, the amounts reported in lines of credit, which represents the amounts pre-funded to merchants, may exceed the stated credit limit, when in fact the combined position is less than the credit limit. The total available incremental borrowings under our credit facilities at August 31, 2012 were $905.1 million, of which $320.5 million is available under our Corporate Credit Facility.

During the quarter ended August 31, 2012 the maximum and average borrowings under our credit facilities were $946.1 million and $538.6 million, respectively. The weighted average interest rates on these borrowings were 1.69% and 1.71%, respectively. Our maximum borrowed amount was greater than our average and period end borrowings due to the timing of settlement funding.

Term Loans

We have a five-year unsecured $200.0 million term loan agreement with a syndicate of banks in the United States which we used to partially fund our HSBC Merchant Services LLP acquisition. The term loan expires in May 2013 and bears interest, at our election, at the prime rate or LIBOR, plus a leverage based margin. As of August 31, 2012 the interest rate on the term loan was 1.20%. The term loan has scheduled amortization of $15.0 million for the next three fiscal quarter ends. As of August 31, 2012, the outstanding balance of the term loan was $45.0 million.

On July 10, 2012 we paid off the remaining $13.5 million outstanding of our $300.0 million term loan agreement ($230.0 million and £43.5 million) with a syndicate of financial institutions. The term loan had a variable interest rate based on LIBOR plus a leverage based margin.

Notes Payable

UCS, our subsidiary in the Russian Federation, has notes payable with a total outstanding balance of approximately $8.5 million at August 31, 2012. These notes have fixed interest rates of 8.5% with maturity dates ranging from September 2012 through November 2016.

Compliance with Covenants

There are certain financial and non-financial covenants contained in our various credit facilities and term loans. Our term loan agreements include financial covenants requiring a leverage ratio no greater than 3.25 to 1.00 and a fixed charge coverage ratio no less than 2.50 to 1.00. We complied with these covenants as of and for the three months ended August 31, 2012.

Critical Accounting Estimates

In applying the accounting policies that we use to prepare our consolidated financial statements, we necessarily make accounting estimates that affect our reported amounts of assets, liabilities, revenues, and expenses. Some of these accounting estimates require us to make assumptions about matters that are highly uncertain at the time we make the accounting estimates. We base these assumptions and the resulting estimates on historical information and other factors that we believe to be reasonable under the circumstances, and we evaluate these assumptions and estimates on an ongoing basis; however, in many instances we reasonably could have used different accounting estimates, and in other instances changes in our accounting estimates are reasonably likely to occur from period to period, with the result in each case being a material change in the financial statement presentation of our financial condition or results of operations. We refer to accounting estimates of this type as “critical accounting estimates.”

Accounting estimates necessarily require subjective determinations about future events and conditions. During the three months ended August 31, 2012, we have not adopted any new critical accounting policies, have not changed any critical accounting policies and have not changed the application of any critical accounting policies from the year ended May 31, 2012. You should read the Critical Accounting Estimates in Item 7 – Management’s Discussion and Analysis of Financial Condition and Results of Operations, Item 1A – Risk Factors included in our Annual Report on Form 10-K for the year ended May 31, 2012 and our summary of significant accounting policies in Note 1 of our notes to the unaudited consolidated financial statements in this Form 10-Q.

Special Cautionary Notice Regarding Forward-Looking Statements

We believe that it is important to communicate our plans and expectations about the future to our shareholders and to the public. Investors are cautioned that some of the statements we use in this report, and in some of the documents we incorporate by reference in this report, contain forward-looking statements and are made pursuant to the "safe-harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve a number of risks and uncertainties, are predictive in nature, and depend upon or refer to future events or conditions. You can sometimes identify forward-looking statements by our use of the words "believes," "anticipates," "expects," "intends," "plans" and similar expressions. Actual events or results might differ materially from those expressed or forecasted in these forward-looking statements.

Although we believe that the plans and expectations reflected in or suggested by our forward-looking statements are reasonable, those statements are based on a number of assumptions, estimates, projections or plans that are inherently subject to significant risks, uncertainties, and contingencies that are subject to change. Accordingly, we cannot guarantee you that our plans and expectations will be achieved. Our actual revenues, revenue growth and margins, other results of operations and shareholder values could differ materially from those anticipated in our forward-looking statements as a result of many known and unknown factors. We advise you to review the risk factors presented in Item 1A – Risk Factors of our Annual Report on Form 10-K for the fiscal year ended May 31, 2012 for information on some of the matters which could adversely affect our business and results of operations.

Our forward-looking statements speak only as of the date they are made and should not be relied upon as representing our plans and expectations as of any subsequent date. While we may elect to update or revise forward-looking statements at some time in the future, we specifically disclaim any obligation to release publicly the results of any revisions to our forward-looking statements. You are advised, however, to consult any further disclosures we make in our reports filed with the Securities and Exchange Commission and in our press releases.

Where to Find More Information

We file annual and quarterly reports, proxy statements and other information with the SEC. You may read and print materials that we have filed with the SEC from their website at www.sec.gov. In addition, certain of our SEC filings, including our annual report on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K and amendments thereto can be viewed and printed from the investor information section of our website at www.globalpaymentsinc.com free of charge. Certain materials relating to our corporate governance, including our senior financial officers' code of ethics, are also available in the investor information section of our website. Copies of our filings and specified exhibits and these corporate governance materials are also available, free of charge, by writing or calling us using the address or phone number on the cover of this Form 10-Q. You may also telephone our investor relations office directly at (770) 829-8234. We are not including the information on our website as a part of, or incorporating it by reference into, this report.

Our SEC filings may also be viewed and copied at the following SEC public reference room, and at the offices of the New York Stock Exchange, where our common stock is quoted under the symbol "GPN."

SEC Public Reference Room
100 F Street, N.E.
Washington, DC 20549
(You may call the SEC at 1-800-SEC-0330 for further information on the public reference room.)

NYSE Euronext
20 Broad Street
New York, NY 10005

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk related to changes in interest rates on our debt and cash investments. Our long-term debt has the option of variable interest rates based on the prime rate or London Interbank Offered Rate plus a margin based on our leverage position. We invest our excess cash in securities that we believe are highly liquid and marketable in the short term. These investments are not held for trading or other speculative purposes. Interest rates on our lines of credit are based on market rates and fluctuate accordingly. Under our current policies, we do not use interest rate derivative instruments to manage exposure to interest rate changes and believe the market risk arising from investment instruments and debt to be minimal.

A substantial amount of our operations are conducted in foreign currencies. Consequently, a portion of our revenues and expenses may be affected by fluctuations in foreign currency exchange rates. We are also affected by fluctuations in exchange rates on assets and liabilities related to our foreign operations. We have not hedged our translation risk on foreign currency exposure. For the three months ended August 31, 2012, currency rate fluctuations decreased our revenues by $15.9 million and our diluted earnings per share by $0.04. To calculate this we converted our fiscal 2013 actual revenues and expenses from continuing operations at fiscal 2012 currency exchange rates.

Item 4. Controls and Procedures

As of August 31, 2012, management carried out, under the supervision and with the participation of our principal executive officer and principal financial officer, an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Based on this evaluation, our principal executive officer and principal financial officer concluded that, as of August 31, 2012, our disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and are designed to ensure that information required to be disclosed in those reports is accumulated and communicated to management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting during the quarter ended August 31, 2012, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(c) Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The shares repurchased in the first quarter of fiscal 2013, the average price paid, including commissions, and the dollar value remaining available for purchase are as follows:

Period	Total Number of Shares (or Units) Purchased (a)	Average Price Paid per Share (or Unit) (b)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs (c)	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (d)
June 1, 2012 - June 30, 2012	—	—	—	$ —
July 1, 2012 - July 31, 2012	—	—	—	$ —
August 1, 2012 - August 31, 2012	110,000	$ 41.47	110,000	$ 145,509,342
Total	110,000	$ 41.47	110,000	

Note: On July 26, 2012, our Board of Directors approved a share repurchase program that authorized the purchase of up to $150.0 million of Global Payments' stock in the open market or at the current market price, subject to market conditions, business opportunities, and other factors. Repurchased shares under this authorization were retired.

Item 6. Exhibits

List of Exhibits

3.1	Amended and Restated Articles of Incorporation of Global Payments Inc., filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K dated January 31, 2001, File No. 001-16111, and incorporated herein by reference.
3.2	Fifth Amended and Restated By-laws of Global Payments Inc., filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K dated January 23, 2012, File No. 001-16111, and incorporated herein by reference.
10.1	Stock Purchase Agreement by and among Vegas Holding Corp., its Stockholders, The Stockholder Representative and Global Payments Inc. dated August 14, 2012, filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q dated August 31, 2012, File No. 001-16111.
10.2	The Hongkong and Shanghai Banking Corporation Limited and Global Payments Acquisition PS 2 C.V. Agreement dated July 26, 2012, filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q dated August 31, 2012, File No. 001-16111.
10.3	First Amendment to Credit Agreement dated September 28, 2012, filed as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q dated August 31, 2012, File No. 001-16111.
10.4	Term Loan Agreement dated September 28, 2012, filed as Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q dated August 31, 2012, File No. 001-16111.
31.1	Rule 13a-14(a)/15d-14(a) Certification of CEO
31.2	Rule 13a-14(a)/15d-14(a) Certification of CFO
32.1	CEO and CFO Certification pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002
101	The following financial information from the Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2012, formatted in XBRL ("Extensible Business Reporting Language") and furnished electronically herewith: (i) the Consolidated Statements of Income; (ii) the Consolidated Balance Sheets; (iii) the Consolidated Statements of Cash Flows; (iv) the Consolidated Statements of Changes in Equity; and (v) the Notes to the Consolidated Financial Statements.

Signatures

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

Global Payments Inc.
(Registrant)

Date: October 2, 2012 /s/ David E. Mangum

David E. Mangum
Chief Financial Officer

Date: October 2, 2012 /s/ Daniel C. O'Keefe

Daniel C. O'Keefe
Chief Accounting Officer

STOCK PURCHASE AGREEMENT

by and among

VEGAS HOLDING CORP.,

its STOCKHOLDERS,

THE STOCKHOLDER REPRESENTATIVE NAMED HEREIN

and

Global Payments Inc.

Dated as of August 14, 2012

TABLE OF CONTENTS

EXHIBITS

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is made as of August 14, 2012, by and among Global Payments Inc., a Georgia corporation (the "Buyer"), Vegas Holding Corp., a Delaware corporation (the "Company"), each of the holders of the Company's Class A Preferred Stock, par value $.01 per share (the "Preferred Stock"), and the Company's Common Stock, par value $.01 per share (the "Common Stock"), set forth on Schedule 1.01 hereto (the "Stockholders"), Great Hill Equity Partners IV, L.P., a Delaware limited partnership, in its capacity as the Stockholder Representative hereunder (the "Stockholder Representative"), and for purposes of Section 11.04 hereof, Roy Banks, an individual ("Banks"), Justin Brown, an individual ("Brown"), Robert Cortopassi, an individual ("Cortopassi"), and Kyle Pexton, an individual ("Pexton"). Capitalized terms used and not otherwise defined herein have the meanings set forth in Article XII.

WHEREAS, the Stockholders own all of the issued and outstanding shares of capital stock of the Company (the "Shares"), which as of the date hereof consist of 127,533 shares of Preferred Stock and 2,550,720 shares of Common Stock;

WHEREAS, subject to the terms and conditions of this Agreement, the Buyer desires to acquire from the Stockholders, and the Stockholders desire to sell to the Buyer, all of the Shares; and

WHEREAS, subject to the terms and conditions of this Agreement, the Buyer also desires the cancellation of all of the issued and outstanding options to acquire shares of capital stock of the Company, which as of the date hereof consists of options to acquire 423,088 shares of Common Stock (the "Options") (held by the Persons designated as Optionholders on Schedule 1.02 hereto (the "Optionholders")), and the Company desires to cancel the Options in exchange for payment by the Buyer (on behalf of the Company) to the Optionholders holding vested and exercisable Options as of the Closing of the consideration described herein.

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

PURCHASE AND SALE OF SHARES AND CANCELLATION OF OPTIONS

. Purchase and Sale of Shares.

Upon the terms and subject to the conditions set forth in this Agreement, the Stockholders shall sell, assign, transfer and convey to the Buyer, and the Buyer shall purchase and acquire from the Stockholders, all of the Shares against payment by the Buyer to each Stockholder as follows:

(a) each Stockholder that holds shares of Preferred Stock shall receive an amount in cash equal to the number of shares of Preferred Stock held by such Stockholder multiplied by the Class A Preferred Per Share Price; and

(b) each Stockholder that holds shares of Common Stock shall receive an amount in cash equal to such Stockholder's Common Percentage multiplied by the Purchase Price. The portion of the Purchase Price to be paid at Closing to each Stockholder that holds shares of Common Stock will be an amount in cash equal to such Stockholder's Common Percentage multiplied by the result of the Preliminary Purchase Price less such Stockholder's pro rata portion of the Holdback Amount (based on such Stockholder's Common Percentage) and such Stockholder's pro rata portion of the Escrow Amount (based on such Stockholder's Common Percentage).

. Options.

Pursuant to and in accordance with Section 6.2(iii) of the Vegas Holding Corp. 2008 Stock Option Plan (as amended), the Company shall cause the Options to be canceled, as of the Closing Date, in exchange for each Optionholder holding vested and exercisable Options as of the Closing, including for the avoidance of doubt any Optionholders whose Options are accelerated in accordance with Section 6.01(b)(iii), being entitled to receive payment by the Buyer (on behalf of the Company) of an amount in cash equal to (i) such Optionholder's Common Percentage multiplied by the Purchase Price, minus (ii) the aggregate exercise prices for the shares of Common Stock issuable upon exercise of the vested and exercisable Options held by such Optionholder (as set forth on Schedule 1.02), less applicable Taxes withheld; provided that, the portion of the Purchase Price to be paid at Closing to each Optionholder under clause (i) above will be an amount in cash equal to (x) such Optionholder's Common Percentage multiplied by the Preliminary Purchase Price, minus (y) the aggregate exercise prices for the shares of Common Stock issuable upon exercise of the vested and exercisable Options held by such Optionholder (as set forth on Schedule 1.02), less applicable Taxes withheld and less such Optionholder's pro rata portion of the Holdback Amount (based on such Optionholder's Common Percentage) and such Optionholder's pro rata portion of the Escrow Amount (based on such Optionholder's Common Percentage). The Buyer shall cause the Company to make timely payment to the appropriate taxing authority or authorities of any amounts in respect to applicable Taxes withheld from payment to the Optionholders under this Section 1.02. All Options which are not vested and exercisable as of the Closing shall be cancelled for no consideration in accordance with the terms of the Vegas Holding Corp. 2008 Stock Option Plan (as amended). Notwithstanding anything herein to the contrary, all payments to Optionholders hereunder (including any amounts to be paid to the Stockholder Representative on behalf of Optionholders) shall be made by the Company through its payroll system in accordance with the Company's regular payroll practices then in effect and shall be less any applicable withholding Taxes. Schedule 1.02 sets forth the list of vested and exercisable Options as of the date hereof, including their exercise prices, as well as the list of Options which are not vested and exercisable and which are to be cancelled pursuant to this Section 1.02. The Company shall deliver to the Buyer an updated Schedule 1.02 one business day preceding the Closing Date, which shall set forth the list of vested and exercisable Options as of the Closing, including their exercise prices, as well as the list of Options which are not vested and exercisable and which are to be cancelled pursuant to this Section 1.02.

. Purchase Price.

(a) For purposes of this Agreement, the aggregate purchase price (the "Purchase Price") shall be an amount equal to (i) $413,000,000, plus (ii) Cash, minus (iii) the Closing Indebtedness Amount, plus (iv) the Aggregate Exercise Price, plus (v) the amount, if any, by which Net Working Capital exceeds $0, minus (vi) the amount, if any, by which Net Working Capital is less than $0, minus (vii) the Transaction Expenses, minus (viii) the Class A Preferred Amount.

(b) For purposes of this Agreement, the "Preliminary Purchase Price" shall be equal to the Purchase Price as calculated in accordance with Section 1.03(a) above, with Cash and Net Working Capital estimated in good faith by the Company on the basis of an estimated balance sheet for the Company as of the close of business on the day immediately prior to the Closing Date (the "Estimated Closing Balance Sheet") and with the Closing Indebtedness Amount estimated in good faith by the Company as of immediately prior to the Closing. The Company shall deliver the Estimated Closing Balance Sheet, together with a statement showing the calculation of the Preliminary Purchase Price, to the Buyer not less than two (2) days prior to the Closing.

. Closing Transactions

(a) At the Closing, the Buyer shall pay each Stockholder an amount in cash as calculated in Section 1.01 in exchange for the delivery to the Buyer of stock certificates evidencing such Stockholder's Shares duly endorsed for transfer or accompanied by duly executed stock powers. Subject to Section 1.04(e), payment at the Closing for the Shares shall be made by wire transfer of immediately available funds to an account or accounts specified by each Stockholder to the Buyer not less than five (5) days prior to the Closing.

(b) Subject to Section 1.04(e), at the Closing, the Buyer shall pay to the Company, on behalf of each Optionholder holding vested and exercisable Options as of the Closing, an amount in cash as calculated in Section 1.02, in exchange for the delivery to the Company, for cancellation, of all of such Optionholder's outstanding Options as evidenced by such Optionholder's executed stock option grant agreement, by wire transfer of immediately available funds to an account or accounts specified by the Company to the Buyer not less than five (5) days prior to the Closing. Payment in consideration of cancellation of the Options shall be made to each Optionholder by the Company through its payroll system on the first payroll date following the Closing Date.

(c) Simultaneously with the Closing, the Buyer shall repay, or cause to be repaid, on behalf of the Company and its Subsidiaries, the then outstanding balance of Indebtedness by wire transfer of immediately available funds as directed by the holders of Indebtedness, and the Company shall deliver to the Buyer all appropriate payoff letters.

(d) Simultaneously with the Closing, the Buyer shall pay, or cause to be paid, on behalf of the Stockholders and the Company (as applicable), the Transaction Expenses by wire transfer of immediately available funds as directed by the Stockholder Representative not less than three (3) days prior to the Closing, and the Company shall deliver to the Buyer invoices from the respective payees representing the Transaction Expenses.

(e) The Stockholder Representative shall require, by delivering written notice to Buyer not less than five (5) days prior to the Closing Date, that the Buyer deliver a portion of the proceeds to be received by the Stockholders and the Optionholders pursuant to Sections 1.04(a) and 1.04(b) in an aggregate amount up to $5,000,000 to the Stockholder Representative, on behalf of the Stockholders and the Optionholders, by wire transfer of immediately available funds to an account designated by the Stockholder Representative not less than five (5) days prior to the Closing, to satisfy potential future obligations of the Stockholders and the Optionholders hereunder (including with respect to any Purchase Price adjustment) and to pay any expenses incurred by the Stockholder Representative in connection with its acting as the Stockholder Representative pursuant to this Agreement (in the aggregate, the "Holdback Amount"); provided that the portion of the Holdback Amount delivered to, and held by, the Stockholder Representative on behalf of each Stockholder and each Optionholder shall be determined pro rata according to such Stockholder's or Optionholder's Common Percentage. The Holdback Amount shall be retained by the Stockholder

Representative for such time as the Stockholder Representative shall determine in its sole discretion, but at least until the Post Closing Adjustment Payment is resolved pursuant to Section 1.06. Any amounts distributed to the Stockholders or Optionholders from the Holdback Amount shall be distributed by the Stockholder Representative to such Persons pro rata based upon their respective Common Percentages.

(f) Simultaneously with the Closing, the Buyer shall deliver to Wells Fargo Bank, National Association, as escrow agent (the "Escrow Agent"), $33,040,000 (the "Escrow Amount") by wire transfer of immediately available funds to an account established by the Escrow Agent (the "Escrow Account"). The Escrow Agent shall hold the Escrow Amount, together with any interest and earnings thereon, in accordance with an Escrow Agreement incorporating the terms set forth on Exhibit A and other customary terms and conditions reasonably acceptable to the Buyer, the Stockholder Representative and the Escrow Agent (the "Escrow Agreement") to be executed and delivered by the Buyer, the Stockholder Representative and the Escrow Agent on or prior to the Closing Date.

. Purchase Price Adjustment.

As promptly as possible, but in any event within ninety (90) days after the Closing Date, the Buyer will deliver to the Stockholder Representative a consolidated balance sheet of the Company and its Subsidiaries (the "Closing Balance Sheet") and a statement (together with the Closing Balance Sheet, the "Preliminary Closing Statement") showing the calculation of the Purchase Price Components and the Purchase Price. The Closing Balance Sheet shall be prepared and the Purchase Price Components shall be determined on a consolidated basis in accordance with GAAP using the same accounting methods, policies, principles, practices and procedures, with consistent classifications, judgments and estimation methodology, as were used in preparation of the Latest Balance Sheet, and shall not include any changes in assets or liabilities as a result of purchase accounting adjustments or other changes arising from or resulting as a consequence of the transactions contemplated hereby. The parties agree that the purpose of preparing the Closing Balance Sheet and determining the Purchase Price Components and the related purchase price adjustment contemplated by this Section 1.05 is to measure changes in the Purchase Price Components, and such processes are not intended to permit the introduction of different judgments, accounting methods, policies, principles, practices, procedures, classifications or estimation methodologies for the purpose of preparing the Closing Balance Sheet or determining the Purchase Price or Purchase Price Components. After delivery of the Preliminary Closing Statement, the Stockholder Representative and its accountants shall be permitted full reasonable access to review the Company's and its Subsidiaries' books and records and work papers related to the preparation of the Preliminary Closing Statement. The Stockholder Representative and its accountants may make inquiries of the Buyer, the Company, the Company's Subsidiaries and their respective accountants regarding questions concerning or disagreements with the Preliminary Closing Statement arising in the course of their review thereof, and the Buyer shall use its, and shall cause the Company and its Subsidiaries to use their, commercially reasonable efforts to cause any such accountants to cooperate with and respond to such inquiries. If the Stockholder Representative has any objections to the Preliminary Closing Statement and the calculation of the Purchase Price, the Stockholder Representative shall deliver to the Buyer a statement setting forth its objections thereto (an "Objections Statement"). If an Objections Statement is not delivered to the Buyer within forty-five (45) days after delivery of the Preliminary Closing Statement, the Preliminary Closing Statement and Buyer's calculation of the Purchase Price shall be final, binding and non-appealable by the parties hereto; provided that, in the event Buyer does not provide any information or documents reasonably requested by the Stockholder Representative or any of its authorized representatives within five (5) business days of request therefor (or such shorter period as may remain in such forty-five (45)-day period), such forty-five (45)-day period shall be extended by one additional day for each additional day required for Buyer to fully respond to such request. If an Objections Statement is delivered to Buyer within forty-five (45) days after delivery of the Preliminary Closing Statement, then the Closing Balance Sheet and the Preliminary Closing Statement (as revised in accordance with clause (x) or (y) below) shall become final and binding upon the parties hereto on the earliest of (x) the date the Stockholder Representative and Buyer resolve in writing any differences they have with respect to the matters specified in the Objections

Statement and (y) the date all matters in dispute are finally resolved in writing by the Dispute Resolution Arbiter. If an Objections Statement is delivered to Buyer within forty-five (45) days after delivery of the Preliminary Closing Statement, the Stockholder Representative and the Buyer shall negotiate in good faith to resolve any such objections, but if they do not reach a final resolution within thirty (30) days after the delivery of an Objections Statement, the Stockholder Representative and the Buyer shall submit such dispute to the Dispute Resolution Arbiter. Any further submissions to the Dispute Resolution Arbiter must be written and delivered to each party to the dispute. The Dispute Resolution Arbiter shall consider only those items and amounts which are identified in the Objections Statement as being items which the Stockholder Representative and the Buyer are unable to resolve. The Dispute Resolution Arbiter's determination will be based solely on the provisions of this Section 1.05 and the definitions of Cash, Closing Indebtedness Amount and Net Working Capital contained herein. The Stockholder Representative and the Buyer shall use their commercially reasonable efforts to cause the Dispute Resolution Arbiter to resolve all disagreements as soon as practicable. Further, the Dispute Resolution Arbiter's determination shall be based solely on the presentations by the Buyer and the Stockholder Representative which are in accordance with the terms and procedures set forth in this Agreement (i.e., not on the basis of an independent review). The resolution of the dispute by the Dispute Resolution Arbiter shall be final, binding and non-appealable on the parties hereto. The costs and expenses of the Dispute Resolution Arbiter shall be allocated between the Buyer, on the one hand, and the Stockholders and the Optionholders, on the other hand, based upon the percentage which the portion of the contested amount not awarded to each party bears to the amount actually contested by such party (with each Stockholder and Optionholder responsible for its portion (determined on a pro rata basis according to each Stockholder's or Optionholder's Common Percentage) of the aggregate costs and expenses allocated to the Stockholders and the Optionholders), and such amount to be paid by the Stockholder Representative from the Holdback Amount; provided that, if such amount exceeds the then available Holdback Amount, the Stockholders shall collectively be responsible for such excess (on a pro rata basis according to each Stockholder's Undiluted Common Percentage)). For example, if the Objection Statement claims that Net Working Capital is $1,000 greater than the amount determined by the Buyer in the Closing Balance Sheet, and if the Dispute Resolution Arbiter ultimately resolves the dispute by awarding the Stockholders and the Optionholders $600 of the $1,000 contested, then the costs and expenses of arbitration will be allocated 60% (i.e., 600 ÷ 1,000) to Buyer and 40% (i.e., 400 ÷ 1,000) to the Stockholders and the Optionholders.

. Post Closing Adjustment Payment.

If the Purchase Price, as finally determined pursuant to Section 1.05, is greater than the Preliminary Purchase Price, the Buyer shall promptly (but in any event within five (5) business days) pay any such excess, together with interest thereon at a rate per annum equal to one percent (1%), calculated on the basis of the actual number of days elapsed from the Closing Date to the date of payment, to the Stockholder Representative (on behalf of the Stockholders and the Optionholders) by wire transfer of immediately available funds to an account or accounts designated by the Stockholder Representative. The Stockholder Representative shall promptly deliver such amounts to the Stockholders and Optionholders on a pro rata basis according to each Stockholder's and Optionholder's Common Percentage. If the Purchase Price, as finally determined pursuant to Section 1.05, is less than the Preliminary Purchase Price, the Stockholder Representative (on behalf of the Stockholders and the Optionholders) shall promptly (but in any event within five (5) business days) pay any such shortfall, together with interest thereon at a rate per annum equal to one percent (1%), calculated on the basis of the actual number of days elapsed from the Closing Date to the date of payment, to the Buyer from the Holdback Amount by wire transfer of immediately available funds to an account or accounts designated by the Buyer; provided that, if the amount determined to be due to the Buyer exceeds the then available Holdback Amount, the Stockholders shall collectively be responsible for such excess and each Stockholder shall pay its pro rata portion (determined according to each Stockholder's Undiluted Common Percentage) of such excess directly to the Buyer by wire transfer of immediately available funds to an account or accounts designated by the Buyer. If the Stockholders shall fail to make such payment

in accordance with this Section 1.06 within two (2) business days, the Stockholder Representative, upon notice from the Buyer, shall immediately instruct the Escrow Agent to pay any such amounts to the Buyer from the Escrow Account.

. The Closing.

The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Kirkland & Ellis LLP located at 300 North LaSalle, Chicago, Illinois at 10:00 a.m., local time, on or prior to the third business day following satisfaction or waiver of all of the conditions to the Closing set forth in Article II (other than those conditions to be satisfied at the Closing), or on such other date and place as is mutually agreeable to the Buyer and the Stockholder Representative. The date and time of the Closing are referred to herein as the "Closing Date."

CONDITIONS TO CLOSING

. Conditions to the Buyer's Obligations.

The obligation of the Buyer to consummate the transactions contemplated by this Agreement is subject to the satisfaction (or waiver by the Buyer in writing) of the following conditions as of the Closing Date:

(a) The representations and warranties set forth in Article III and Article IV of this Agreement shall be true and correct in all respects (without giving effect to materiality, Material Adverse Effect, or similar phrases therein) as of the Closing, except (i) to the extent that the failure of such representations and warranties to be true and correct does not result in a Material Adverse Effect, (ii) for changes contemplated by this Agreement, and (iii) for those representations and warranties which expressly relate to an earlier date (in which case such representations and warranties shall have been true and correct as of such earlier date except to the extent that the failure of such representations and warranties to have been true and correct as of such earlier date does not result in a Material Adverse Effect);

(b) The Company and the Stockholders shall have performed in all material respects all of the covenants and agreements required to be performed by them under this Agreement at or prior to the Closing;

(c) The applicable waiting periods, if any, under the HSR Act shall have expired or been terminated;

(d) No judgment, decree or order shall have been entered by a governmental authority which would prevent the performance of this Agreement or the consummation of any of the transactions contemplated hereby, declare unlawful the transactions contemplated by this Agreement or cause such transactions to be rescinded;

(e) The Employment Agreements for Banks, Pexton, Cortopassi and Julie Counterman shall have been terminated and Banks, Pexton, Cortopassi and Julie Counterman shall have provided complete releases in favor of the Company and its Subsidiaries in connection with such Employment Agreements in form and substance reasonably satisfactory to Buyer;

(f) The Stockholder Representative shall have delivered to the Buyer resignation letters from each member of the Board of Directors of the Company and its Subsidiaries;

(g) The Stockholder Representative shall have delivered to the Buyer the Escrow Agreement executed by the Stockholder Representative on behalf of the Stockholders; and

(h) The Company or the Stockholder Representative (on behalf of the Stockholders), as the case may be, shall have delivered to the Buyer each of the following:

(i) a certificate of the Company in the form set forth in Exhibit B, dated the Closing Date, stating that the preconditions specified in Sections 2.01(a) and (b), as they relate to the Company, have been satisfied;

(ii) a certificate of the Stockholder Representative (on behalf of the Stockholders) in the form of Exhibit C, dated the Closing Date, stating that the preconditions specified in Sections 2.01(a) and (b), as they relate to the Stockholders, have been satisfied;

(iii) the stock certificates representing the Shares, in each case duly endorsed for transfer or accompanied by duly executed stock powers or transfer documents;

(iv) a certificate in accordance with Section 6.06;

(v) a copy of the certificate of incorporation of the Company and each of its Subsidiaries, in each case certified by the Secretary of State of Delaware, and a certificate of good standing for each of the Company and its Subsidiaries from the Secretary of State of Delaware, in each case, dated within twenty (20) days of the Closing Date;

(vi) certified copies of the resolutions duly adopted by the Company's board of directors authorizing its execution, delivery and performance of this Agreement and the other agreements to which it is a party; and

(vii) an agreement terminating as of the Closing the Expense Reimbursement and Fee Letter, dated as of August 14, 2008, by and between Accelerated Payment Technologies, Inc. and Great Hill Partners, LLC; provided that such termination agreement shall confirm that all amounts due and owing thereunder to Great Hill Partners, LLC have been paid in full.

If the Closing occurs, all closing conditions set forth in this Section 2.01 which have not been fully satisfied as of the Closing shall be deemed to have been fully waived by the Buyer.

. Conditions to the Stockholders' Obligations.

The obligations of the Stockholders to consummate the transactions contemplated by this Agreement are subject to the satisfaction of the following conditions as of the Closing Date:

(a) The representations and warranties set forth in Article V of this Agreement shall be true and correct in all material respects (without giving effect to materiality or similar phrases therein) as of the Closing, except (i) to the extent that the failure of such representations and warranties to be true and correct does not adversely affect the Buyer's ability to consummate the transactions contemplated by this Agreement, (ii) for changes contemplated by this Agreement, or (iii) for those representations and warranties which expressly relate to an earlier date (in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date);

(b) The Buyer shall have performed in all material respects all the covenants and agreements required to be performed by it under this Agreement at or prior to the Closing;

(c) The applicable waiting periods, if any, under the HSR Act shall have expired or been terminated;

(d) No judgment, decree or order shall have been entered which would prevent the performance of this Agreement or the consummation of any of the transactions contemplated hereby, declare unlawful the transactions contemplated by this Agreement or cause such transactions to be rescinded;

(e) The Buyer shall have delivered to the Stockholder Representative (for the benefit of the Stockholders) certified copies of the resolutions duly adopted by Buyer's board of directors (or its equivalent governing body) authorizing its execution, delivery and performance of this Agreement and the other agreements contemplated hereby to which it is a party;

(f) The Buyer shall have delivered to the Stockholder Representative (on behalf of the Stockholders) a certificate in the form set forth as Exhibit D, dated the Closing Date, stating that the preconditions specified in Sections 2.02(a) and (b) have been satisfied;

(g) the Buyer shall have delivered to the Stockholder Representative the Escrow Agreement executed by the Buyer; and

(h) The Buyer shall have delivered the consideration set forth in Sections 1.01 and 1.02.

If the Closing occurs, all closing conditions set forth in this Section 2.02 which have not been fully satisfied as of the Closing (other than Section 2.02(h)) shall be deemed to have been fully waived by the Stockholders.

REPRESENTATIONS AND WARRANTIES OF EACH STOCKHOLDER

Each Stockholder represents and warrants to the Buyer as of the date of this Agreement and at Closing as follows:

. Authority.

Such Stockholder has all requisite power and authority and full legal capacity to execute and deliver this Agreement and to perform such Stockholder's obligations hereunder.

. Execution and Delivery; Valid and Binding Agreement.

This Agreement has been duly executed and delivered by such Stockholder. The execution, delivery and performance of this Agreement by such Stockholder and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite limited liability company or limited partnership action, and no other limited liability company or limited partnership proceedings on its part are necessary to authorize the execution, delivery or performance of this Agreement by such Stockholder. Assuming that this Agreement is the valid and binding agreement of the Buyer, the Company and the other Stockholders, this Agreement constitutes the valid and binding obligation of such Stockholder, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy laws, other similar laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies.

. Noncontravention.

Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (a) violate any constitution, statute, law, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which such Stockholder is subject or, if such Stockholder is a corporation or other entity, any provision of its charter or bylaws or equivalent organizational documents or (b) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which such Stockholder is a party or by which such Stockholder is bound.

. Ownership of Capital Stock.

Such Stockholder is the record owner of the number of Shares set forth opposite such Stockholder's name on Schedule 3.04 and no one other than such Stockholder has any right, title or interest in such Shares. On the Closing Date, such Stockholder shall transfer to the Buyer good title to such Shares free and clear of all claims, pledges, security interests, liens, charges, encumbrances, options, proxies, voting trusts or agreements and other restrictions and limitations of any kind, other than applicable federal and state securities law restrictions. Collectively, except for the Options, the Stockholders own all of the stock or equity ownership interest in the Company.

. Brokers Fees.

Other than to William Blair & Company, L.L.C., whose fees constitute Transaction Expenses hereunder, such Stockholder has no liability or obligation to pay any fees or commissions to any broker,

finder or agent with respect to the transactions contemplated by this Agreement for which the Buyer could become liable or obligated.

. No Other Representations and Warranties

. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE III (INCLUDING THE SCHEDULES), SUCH STOCKHOLDER MAKES NO EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY, AND SUCH STOCKHOLDER HEREBY DISCLAIMS ANY SUCH REPRESENTATION OR WARRANTY, WITH RESPECT TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT AND THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Buyer as of the date of this Agreement and at Closing that:

. Organization and Corporate Power.

The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and the Company has all requisite corporate power and authority and all material authorizations, licenses and permits necessary to own and operate its properties and to carry on its businesses as now conducted. The Company is qualified to do business in every jurisdiction in which its ownership of property or the conduct of its businesses as now conducted requires it to qualify, except where the failure to be so qualified would not have a Material Adverse Effect.

. Subsidiaries.

Except as set forth on Schedule 4.02 hereto, neither the Company nor any of its Subsidiaries owns or holds the right to acquire any stock, partnership interest or joint venture interest or other equity ownership interest in any other Person. Each of the Subsidiaries identified on Schedule 4.02 hereto is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, has all requisite corporate power and authority and all material authorizations, licenses and permits necessary to own its properties and to carry on its businesses as now conducted and is qualified to do business in every jurisdiction in which its ownership of property or the conduct of its businesses as now conducted requires it to qualify, except in each such case where the failure to be so qualified would not have a Material Adverse Effect. The Company owns all of the stock or equity ownership interest in each Subsidiary. The Company has delivered or made available to Buyer true and correct copies of the Certificate of Incorporation and Bylaws of the Company and similar governing instruments of each of its Subsidiaries (collectively, the "Company Charter Documents") each as amended to date, and each is in full force and effect. Neither the Company nor the Subsidiaries, as applicable, are in violation of any of the provisions of the Company Charter Documents. Schedule 4.02 lists all of the current directors and officers of the Company and each Subsidiary.

. Authorization; No Breach; Valid and Binding Agreement.

The execution, delivery and performance of this Agreement by the Company and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite corporate action, and no other corporate proceedings on its part are necessary to authorize the execution, delivery or performance of this Agreement. The execution, delivery and performance of this Agreement by the Company and the consummation of the transactions contemplated hereby do not conflict with the Company Charter Documents. Except as set forth on Schedule 4.03 hereto, the execution, delivery and performance of this Agreement by the Company and the consummation of the transactions contemplated hereby do not conflict with or result in any material breach of, constitute a material default under, result in a material violation of, result in the creation of any Lien upon any material assets of the Company or any of its Subsidiaries under, or require any authorization, consent, approval, exemption or other action by or notice to any Person, any court or other governmental body, under the provisions of any material indenture, mortgage, lease, loan agreement or other agreement or instrument to which the Company or any of its Subsidiaries is bound, or any law, statute, rule or regulation or order, judgment or decree to which the Company or any of its Subsidiaries is subject. Except for amounts included in the Transaction Expenses paid in accordance with Section 1.04(d), there are no agreements to which the Company or any of its Subsidiaries is bound pursuant to which change of control, success, retention or similar bonus is payable to any employee or other service provider of the Company or its Subsidiary or any Person based on the consummation of the transactions contemplated by this Agreement. Assuming that this Agreement is a valid and binding obligation of the other parties hereto, this Agreement constitutes a valid and binding obligation of the Company, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy laws, other similar laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies.

. Capital Stock.

The authorized number of shares of capital stock of the Company is 3,150,000, consisting of 150,000 shares of Preferred Stock and 3,000,000 shares of Common Stock. As of the date hereof, (i) 127,533 shares of Preferred Stock are issued and outstanding and are owned of record by the Stockholders in the amounts set forth opposite each such Stockholder's name on Schedule 4.04, (ii) 2,550,720 shares of Common Stock are issued and outstanding and are owned of record by the Stockholders in the amounts set forth opposite each such Stockholder's name on Schedule 4.04, and (iii) the Options represent 423,088 shares of Common Stock (of which 225,562 Options are vested and exercisable as of the date hereof) and have been issued as set forth in Schedule 1.02. All of the outstanding shares of capital stock of the Company have been duly authorized and are validly issued, fully paid and nonassessable. Other than the Shares and the Options, the Company does not have any other capital stock, equity securities or securities containing any equity features authorized, issued or outstanding, and there are no agreements, options, warrants or other rights or arrangements existing or outstanding which provide for the sale or issuance of any of the foregoing by the Company. There are no agreements or other obligations (contingent or otherwise) which require the Company to repurchase or otherwise acquire any shares of the Company's capital stock or other equity securities.

. Financial Statements.

Schedule 4.05 hereto consists of: (a) the Company's unaudited consolidated balance sheet as of June 30, 2012 (the "Latest Balance Sheet") and the related statement of income for the nine (9)-month period then ended and (b) the Company's audited consolidated balance sheets and statements of income and cash flows for the fiscal years ended September 30, 2010 and September 30, 2011 (collectively, the "Financial Statements"). Except as set forth on Schedule 4.05 hereto, the Financial Statements have been prepared in accordance with GAAP, consistently applied throughout the periods indicated, and present fairly in all material respects the financial condition and results of operations of the Company and its Subsidiaries (taken as a whole) as of the times and for the periods referred to therein, subject in the case of the unaudited financial

statements to (i) the absence of footnote disclosures and other presentation items and (ii) changes resulting from normal year-end adjustments. As of the Closing, there will be not less than five hundred thousand dollars ($500,000.00) in Cash in the Company's Subsidiary.

. Absence of Certain Developments.

Since September 30, 2011, there has not been any Material Adverse Effect. Except as set forth on Schedule 4.06 hereto and except as expressly contemplated by this Agreement, since September 30, 2011, neither the Company nor any of its Subsidiaries has:

(a) borrowed any amount or incurred or become subject to any material liabilities (other than (i) liabilities incurred in the ordinary course of business, (ii) liabilities under contracts entered into in the ordinary course of business and (iii) borrowings from banks (or similar financial institutions) necessary to meet ordinary course working capital requirements which are disclosed on Schedule 4.06);

(b) mortgaged, pledged or subjected to any lien, charge or other encumbrance, any material portion of its assets, except Permitted Liens;

(c) sold, assigned or transferred any material tangible assets, except product sales in the ordinary course of business;

(d) assigned or transferred any material Intellectual Property;

(e) issued, sold or transferred any of its capital stock or other equity securities, securities convertible into its capital stock or other equity securities or warrants, options or other rights to acquire its capital stock or other equity securities, or any bonds or debt securities;

(f) made any material capital investment in, or any material loan to, any other Person (other than a Subsidiary of the Company), except in the ordinary course of business;

(g) declared, set aside, or paid any dividend or made any distribution with respect to its capital stock (whether in cash or in kind) or redeemed, purchased, or otherwise acquired any of its capital stock, except for dividends or distributions made by the Subsidiaries to their respective parents in the ordinary course of business;

(h) made any material capital expenditures or commitments therefor, except in the ordinary course of business;

(i) (A) granted any increase in compensation or fringe benefits to any directors, officers, employees or consultants of the Company, (B) made any payment of any bonus to any directors, officers, employees or consultants of the Company or (C) made any amendment to any Employment Agreement, other than, with respect to subclauses (A) and (B) of this paragraph, as required by an existing agreement or contract or in the ordinary course of business consistent with past practice;

(j) suffered any material damage, destruction or loss (whether or not covered by insurance) to any property or assets material to the conduct of the business of the Company;

(k) entered into any amendment, modification, cancellation or termination of any material Contract other than in the ordinary course of business consistent with past practice;

(l) made any change in its accounting methods, principles or practices, except as required by concurrent changes in GAAP;

(m) filed any material Tax Return inconsistent with past practice or, on any such Tax Return, taken any position, made any election, or adopted any method that was inconsistent with positions taken, elections made or methods used in filing similar Tax Returns in prior periods if such position, election, or method would result in an increase in Taxes in periods after the Closing;

(n) cancelled, compromised, waived or released any right or claim (or series or rights or claims) involving more than $50,000;

(o) made any material revaluation of any of its assets, including writing off notes or accounts receivable;

(p) made any loan to any of its directors, officers or employees, or entered into any other transaction with, any of its directors, officers or employees outside the ordinary course of business; or

(q) entered into any contract to do any of the foregoing.

. Title to Properties.

(a) Except as set forth on Schedule 4.07(a) hereto, the Company owns good title to, or holds pursuant to valid and enforceable leases, all of the personal property shown to be owned or leased by it on the Latest Balance Sheet, free and clear of all Liens, except for Permitted Liens.

(b) The real property demised by the leases described on Schedule 4.07(b) hereto (collectively, the "Leased Real Property") constitutes all of the real property leased by the Company and its Subsidiaries. Except as set forth on Schedule 4.07(b) hereto, the Leased Real Property leases are in full force and effect, and the Company or a Subsidiary of the Company holds a valid and existing leasehold interest under each such lease, subject to proper authorization and execution of such lease by the other party and except as the enforcement thereof may be limited by bankruptcy laws, other similar laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies. The Company has made available to the Buyer complete and accurate copies of each of the leases described on Schedule 4.07(b) hereto, and none of such leases have been modified in any material respect, except to the extent that such modifications are disclosed by the copies made available to the Buyer. To the Company's knowledge, neither the Company nor any of its Subsidiaries is in default in any material respect under any of such leases.

(c) Neither the Company nor any of its Subsidiaries owns a freehold estate in any real property.

. Tax Matters.

(a) The Company and its Subsidiaries have filed all federal and all other Tax Returns that are required to be filed by them (taking into account any extensions of time to file). Schedule 4.08(a) lists all foreign, federal, state and other material income Tax Returns filed with respect to the Company and its Subsidiaries for taxable periods ending on or after September 30, 2008, indicates which of those Tax Returns that have been audited, and indicates those Tax Returns that are currently the subject of an audit. The Company has delivered to the Buyer correct and complete copies of all such Tax Returns and all material examination reports, and statements of material deficiencies assessed against or agreed to by the Company and its Subsidiaries since September 30, 2008. All such Tax Returns were correct and complete in all material respects and were prepared in substantial compliance with all applicable laws. All Taxes due and payable by the Company and its Subsidiaries (whether or not shown on any Tax Return) have been fully paid. Neither the Company nor its Subsidiaries are currently the beneficiary of any extension of time within which to file any Tax Return. To the Company's knowledge, within the past three (3) years, no written claim has been made by a Governmental Entity in a jurisdiction where the Company and its Subsidiaries do not file Tax Returns that the Company is or may be subject to taxation by that jurisdiction. All material Taxes that the Company or any of its Subsidiaries is obligated to withhold and /or pay from amounts owing to any Employee, independent contractor, creditor or third party have been fully paid.

(b) Neither the Company nor any of its Subsidiaries has waived any statute of limitations in respect of a material amount of Taxes or agreed to any extension of time with respect to an assessment or deficiency of a material amount of Taxes, which waiver or extension is still in effect.

(c) No foreign, federal, or other tax audits or administrative or judicial Tax proceedings are pending or, to the Company's knowledge, being contemplated with respect to the Company or its Subsidiaries. Neither the Company nor its Subsidiaries has received from any foreign, federal, state or local Governmental Entity any (i) written notice indicating an intent to open an audit or other review, or (ii) notice

of deficiency or proposed adjustment for any material amount of Tax proposed, asserted, or assessed against any Governmental Entity against the Company or its Subsidiaries.

(d) The Company has not been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code. The Company and its Subsidiaries have disclosed on their federal income Tax Returns all positions taken there that, to the Company's knowledge, could give rise to a substantial understatement of federal income Tax within the meaning of Section 6662 of the Code. Neither the Company nor its Subsidiaries has (i) been a member of an affiliated group filing a consolidated federal income Tax Return (other than a group the common parent of which was the Company or any Subsidiary) or (ii) has any liability for the Taxes of any Person (other than the Company or its Subsidiaries) under Reg. Section 1.1502-6 (or any similar provision of state, local or foreign law), as a transferee or successor, or by contract.

(e) Neither the Company nor its Subsidiaries will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any:

(i) change in method of accounting for a taxable period ending on or prior to the Closing Date;

(ii) "closing agreement" as described in Section 7121 of the Code (or any corresponding provision or similar provision of state, local or foreign income Tax law) executed on or prior to the Closing Date; or

(iii) Intercompany transaction or excess loss account described in Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of state, local or foreign income Tax law).

(f) Neither the Company nor its Subsidiaries has engaged in any transaction that constitutes a "listed transaction" or "reportable transaction" as described under Section 6707A of the Code and Treasury regulations promulgated thereunder.

(g) Neither the Company nor its Subsidiaries are party to or have any obligation under any Tax sharing, Tax indemnity or Tax allocation agreement or any similar contract or written arrangement, in each case, other than those entered in the ordinary course of business and the primary focus of which is not Taxes.

(h) The unpaid taxes of the Company and its Subsidiaries as of the date of the Latest Balance Sheet do not exceed the reserves for Tax liabilities set forth on the Latest Balance Sheet.

(i) There is no material dispute or claim concerning any Tax liability of the Company or any of its Subsidiaries either claimed or raised by any authority in writing, which dispute or claim has not been resolved.

(j) Within the past three (3) years, neither the Company nor any of its Subsidiaries has distributed stock on another Person in a transaction that was intended to be governed by Section 355 or 361 of the Code.

(k) There are no Liens for Taxes (other than Taxes not yet due and payable) upon any of the assets of the Company or any of its Subsidiaries.

(l) Neither the Company nor its Subsidiaries is a party to any contract or plan, in each case, entered into prior to the date of this Agreement and excluding, for avoidance of doubt, any contract, agreement, or plan entered into by the Buyer or its Affiliates, that would result, separately or in the aggregate, in the payment of any "excess parachute payment" within the meaning of Section 280G of the Code (or any corresponding provision of state, local or foreign Tax law).

(m) Since August 14, 2008, (i) any Plan that is deemed to constitute a nonqualified deferred compensation plan subject to Section 409A of the Code has been operated between August 14, 2008 and December 31, 2008 in good faith compliance with Section 409A of the Code and the applicable notices and proposed regulations thereunder and, since January 1, 2009 has been operated in accordance with, and is in documentary compliance with, the final regulations under Section 409A of the Code, (ii) neither the Company

nor its Subsidiaries has any obligation to indemnify, hold harmless or gross up any individual with respect to any penalty tax or interest under Section 409A of the Code, and (iii) no Options (other than an Option the terms of which comply with Section 409A of the Code) have an exercise price that has been or may be less than the fair market value of the underlying stock as of the date such Option was granted or has any feature for the deferral of compensation that could render the grant subject to Section 409A of the Code.

(n) This Section 4.08 constitutes the sole and exclusive representations and warranties of the Company and its Subsidiaries with respect to any tax matters.

. Contracts and Commitments.

(a) Except as set forth on Schedule 4.09(a) hereto, neither the Company nor any Subsidiary is party to any: (i) collective bargaining agreement or contract with any labor union; (ii) written bonus, pension, profit sharing, retirement or other form of deferred compensation plan, other than as described in Section 4.13 hereto; (iii) stock purchase, stock option or similar plan, other than as described in Section 4.13; (iv) written contract for the employment of any officer or individual employee providing for fixed compensation in excess of $50,000 per annum or variable compensation, including sales commissions, which reasonably may be in excess of $25,000 per annum; (v) agreement or indenture relating to the borrowing of money or to mortgaging, pledging or otherwise placing a Lien on any material portion of the assets of the Company and its Subsidiaries; (vi) guaranty of any obligation for borrowed money or other material guaranty; (vii) lease or agreement under which it is lessee of, or holds or operates any personal property owned by any other party, for which the annual rental exceeds $100,000; (viii) lease or agreement under which it is lessor of or permits any third party to hold or operate any property, real or personal, for which the annual rental exceeds $100,000; (ix) contract or group of related contracts with the same party for the purchase of products or services which provide for annual payments in excess of $100,000 (based on payments made during the twelve-month period ending on the date of the Latest Balance Sheet or anticipated payments for the first twelve months of such contracts for parties from which the Company has purchase contracts for less than twelve months); (x) contract or group of related contracts with a client or customer that provides annual revenues (based on revenues for the twelve-month period ending on the date of the Latest Balance Sheet or anticipated revenues for the first twelve months of such contracts for clients or customers who have been clients or customers of the Company for less than twelve months) to the Company and its Subsidiaries in excess of $200,000; (xi) material license or royalty agreement relating to the use of any third party intellectual property (excluding licenses to commercially available “off the shelf” software less than $25,000); (xii) contracts which materially prohibits the Company or any of its Subsidiaries from freely engaging in business anywhere in the world; (xiii) contracts granting any exclusive distribution or other exclusive rights or which would prevent the Company or the Buyer from hiring employees or independent contractors; (xiv) written consulting or other non-employment compensation arrangement with any individual providing for compensation in excess of $50,000 per annum.

(b) The Company has made available to the Buyer a true and correct copy of all written agreements which are set forth on Schedule 4.09(a) hereto, together with all material written amendments, waivers or other changes thereto.

(c) With respect to each agreement listed on Schedule 4.09(a) hereto: (i) such agreement is a valid and binding agreement of the Company and/or its Subsidiaries, as applicable, enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy laws, other similar laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies; (ii) none of the Company or any of its Subsidiaries is in breach or default in any material respect, nor has the Company or any of its Subsidiaries taken any action which, with notice or lapse of time, would constitute a breach or default in any material respect, or permit termination, material modification, or acceleration, as applicable, under such agreement; (iii) to the Company's knowledge, no other party is in breach or default in any material respect under such agreement; and (iv) no other party has repudiated any material provision of such agreement.

(d) Except as set forth on Schedule 4.09(d), all merchant customers of the Company and its Subsidiaries have executed an agreement for processing services in one of the form agreements attached hereto as Exhibit E. All such agreements are in full force and effect, and there are no other agreements, oral or written, between the Company and the current merchant customers of the Company and its Subsidiaries.

(e) Schedule 4.09(e) contains a list of customers of the Company and its Subsidiaries that refer merchant customers to the Company and its Subsidiaries for processing services. Except as noted on Schedule 4.09(e), all such customers have executed agreements with the Company or its Subsidiaries in connection with such referrals, all such agreements are in full force and effect, all such agreements are substantially in a form of agreement previously made available to Buyer, and the Company or its Subsidiaries, as applicable, is not in default in any material respect under any such agreement or in any respect such that the counterparty to such agreement would have the right to terminate such agreement for cause.

(f) As of the date of this Agreement, there are less than forty (40) end user merchants (the "Merchants") for which the Company or its Subsidiaries engages First Data Merchant Services Corporation ("First Data") as the payment processing agent pursuant to that certain Merchant Program Processing Agreement, dated November 16, 2011, by and between First Data and Accelerated Payment Technologies, Inc., and the Company first commenced providing services to all such Merchants on or after April 1, 2012. The residual payments attributable to the Merchants for the period June 1, 2012 - June 30, 2012 was less than $2,000.

. Intellectual Property.

(a) All of the patents, registered trademarks, registered service marks, registered copyrights, internet domain names, trade dress, industrial design, applications for any of the foregoing and material unregistered trademarks, material unregistered service marks, trade names and corporate names owned by the Company or any of its Subsidiaries (collectively, "Intellectual Property") are set forth on Schedule 4.10 hereto. Except as set forth on Schedule 4.10, no loss, cancellation or expiration of any Intellectual Property is pending or, to the Company's knowledge, threatened, except for patents and copyrights expiring at the end of their statutory terms as set forth on Schedule 4.10 (and not as a result of any act or omission by the Company or any of its Subsidiaries, including a failure to pay any required maintenance fees). Except as set forth on Schedule 4.10 hereto: (A) the Company and/or its Subsidiaries, as the case may be, own and possess all right, title and interest in and to the Intellectual Property, free of any Liens (except Permitted Liens); (B) during the two (2) year period prior to the date of this Agreement, neither the Company nor any of its Subsidiaries has received any written notices from any Person claiming that the Company or any of its Subsidiaries is currently infringing on the intellectual property of such Person (or received any demand or unsolicited offer to license any intellectual property from such Person that was not merely a solicitation); (C) to the Company's knowledge, (i) the Intellectual Property is not currently being materially infringed, misappropriated or conflicted by any other Person and (ii) does not infringe, misappropriate or conflict with the intellectual property rights of any other Person; and (D) no Intellectual Property is subject to any outstanding order, proceeding or stipulation that restricts in any manner the Company's or its Subsidiaries' use of the Intellectual Property. The Company has taken commercially reasonable measures to protect both the Intellectual Property and all trade secrets and proprietary information of the Company and its Subsidiaries.

(b) To the knowledge of the Company, all present and former employees of the Company and its Subsidiaries have executed an assignment of inventions agreement to vest in the Company or its Subsidiaries, as appropriate, exclusive ownership of the Intellectual Property so created by them, to the extent allowed by applicable law. To the knowledge of the Company, all present and former contractors, agents and consultants of the Company and its Subsidiaries who have or have had access to the Company's and its

Subsidiaries' trade secrets and proprietary information have executed nondisclosure agreements to protect the confidentiality of such information and the Company maintains copies of such agreements.

(c) For purposes of this Section 4.10, "software" shall mean any and all (i) computer programs and applications, including any and all software implementations of algorithms, models and methodologies, whether in source code or object code, (ii) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (iii) descriptions, flow-charts, library functions, algorithms, architecture, structure, display screens and development tools, and other information, work product or tools used to design, plan, organize or develop any of the foregoing, and (iv) all documentation, including user manuals and training materials, relating to any of the foregoing. Schedule 4.10(c) contains a true, complete and correct list of (A) the names of all of the software products that the Company or its subsidiaries currently license or make available to customers, (B) the product name of each item of third-party software that is embedded in any of the software that the Company or its Subsidiaries currently license or make available to customers, (C) each license or other contract with respect to each such item of third-party software listed in (B), and (D) the product names of all other third-party software used by the Company and its Subsidiaries (other than commercially available, off-the-shelf software). The Company or its Subsidiaries, as applicable, has a valid license to use all of the software identified in Schedule 4.10(c) and the Company or its Subsidiaries, as applicable, is not in material violation of any such license.

(d) The Company and its Subsidiaries are in material compliance with their respective privacy policies and terms of use and with all applicable data protection, privacy and other laws governing the collection, use, storage, distribution, transfer or disclosure (whether electronically or in any other form or medium) of any personal information or data including applicable rules, regulations, and standards in connection with the Payment Card Industry Data Security Standard.

(e) The computer software, hardware, firmware, networks, platforms, servers, interfaces, applications, web sites and related systems (collectively, "Systems") used by the Company and its Subsidiaries are sufficient for the current needs of the Company and its Subsidiaries in all material respects. Except as set forth on Schedule 4.10(e), the Company and its Subsidiaries have taken commercially reasonable steps to provide for the security, continuity and integrity of their respective Systems and the back-up and recovery of data and information stored or contained therein and to prevent and guard against any unauthorized access or use thereof, in each case in all material respects. To the knowledge of the Company, there has not been a material breach of the security, continuity and integrity of the Systems or unauthorized access of the data and information stored or contained therein.

(f) Schedule 4.10(f) lists each item of commercially available off-the-shelf software used by the Company or its Subsidiaries for which the Company or its Subsidiaries pays aggregate fees in excess of $10,000 per year.

. Litigation.

Except as set forth on Schedule 4.11 hereto, there are no actions, suits or proceedings pending or, to the Company's knowledge, overtly threatened against the Company or any of its Subsidiaries, at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, and neither the Company nor any of its Subsidiaries is subject to any outstanding judgment, order or decree of any court or governmental body.

. Governmental Consents, etc.

Except for the applicable requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act") and except as set forth on Schedule 4.12 hereto, no material permit, consent, approval or authorization of, or declaration to or filing with, any governmental or regulatory authority is required in connection with any of the execution, delivery or performance of this Agreement by the Company or the consummation by the Company of any other transaction contemplated hereby.

. Employee Benefit Plans

. Except as listed on Schedule 4.13:

(a) With respect to employees of the Company or any of its Subsidiaries, neither the Company nor any of its Subsidiaries maintains or contributes to any "employee benefit plan" (as defined under Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) or any other material employee benefit plan, including without limitation, bonus plans, change in control, termination or severance plans or arrangements, stock purchase, severance pay, sick leave, vacation pay, salary continuation for disability, hospitalization, medical insurance and scholarship plans and programs maintained by the Company or any of its Subsidiaries or to which the Company or any of its Subsidiaries contributed or is obligated to contribute thereunder for current or former employees of the Company or any of its Subsidiaries (the "Plans"). Each of the Plans that is intended to be qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"), has received a favorable determination letter from the Internal Revenue Service or is a prototype plan that is entitled to rely on an opinion letter issued by the Internal Revenue Service to the prototype plan sponsor regarding qualification of the form of the prototype plan. The Plans comply in form and in operation in all material respects with their terms and with the requirements of the Code and ERISA. Within the past three (3) years, neither the Company nor any of its Subsidiaries has maintained a "nonqualified deferred compensation plan" (as defined for purposes of Section 409A(d)(1) of the Code).

(b) With respect to the Plans, all required material contributions have been made or properly accrued. No material claim, lawsuit, arbitration or other action is pending or, to the Company's knowledge, threatened against any Plan. No Plan provides retiree health benefits or retiree life insurance to former employees (except as required under Code Section 4980B or other applicable laws).

(c) No Plan is subject to Section 412 of the Code or Title IV of ERISA, or is a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA, and neither the Company nor any of its Subsidiaries has maintained or contributed to any employee benefit plan subject to Title IV of ERISA within the past six (6) years. In addition, neither the Company nor any of its Subsidiaries has been assessed with any liability solely by reason of being treated as a single employer with any other entity under Section 414(b), (c), (m) or (o) of the Code.

(d) With respect to each Plan, the Company has made available to the Buyer true and complete copies, to the extent applicable, of (i) the plan and trust documents, insurance contracts or other funding arrangements, and most recent summary plan description, (ii) in the case of each Plan that is intended to be qualified under Section 401(a) of the Code, the most recent determination letter received from the Internal Revenue Service or, in the case of a prototype plan, an opinion letter issued by the Internal Revenue Service to the prototype plan sponsor regarding qualification of the form of the prototype plan, (iii) the latest Form 5500 annual report and all schedules thereto in addition to the audited financial reports, (iv) the most recent trust agreements, (v) all material communications received from or sent to the Internal Revenue Service, the Pension Benefit Guaranty Corporation, the Department of Labor or any other governmental authority, (vi) all current employee handbooks and manuals, and, (vii) all amendments to any such Plans.

(e) Neither the Company nor, to the Company's knowledge, any other "party in interest" or "disqualified person" with respect to the Plans has engaged in a non-exempt "prohibited transaction" within the meaning of Section 4975 of the Code or Section 406 of ERISA that would reasonably be expected to result in material liability to the Company. To the Company's knowledge, no fiduciary has any liability for breach of fiduciary duty or any other failure to act or comply in connection with the administration or investment of the assets of any of the Plans that would reasonably be expected to result in material liability to the Company.

(f) There are no pending or, to the Company's knowledge, threatened claims by or on behalf of any participant in any of the Plans involving any such Plan or the assets of any Plan that individually or in the aggregate would reasonably be expected to be materially adverse to the Company or any of its Subsidiaries. The Plans are not presently under audit (nor has notice been received of a potential audit) by the Internal Revenue Service, the Department of Labor, or any other governmental authority and no matters

are pending before any governmental agency with respect to the 401(k) plan maintained by the Company under the Internal Revenue Services' Employee Plans Compliance Resolution System (EPCRS) or other similar programs.

(g) Except as otherwise contemplated in this Agreement, the execution, delivery, and performance of this Agreement by the Company and the consummation by Company of the transactions contemplated by this Agreement will not result in an increase in the amount of compensation or benefits or the acceleration of the vesting or timing of payment of any compensation or benefits payable to or in respect of any current or former employee, officer, director or independent contractor of the Company or any increased or accelerated funding obligation with respect to any Plans.

(h) This Section 4.13 constitutes the sole and exclusive representations and warranties of the Company and its Subsidiaries with respect to any matters relating to employee benefits plans.

. Insurance.

Schedule 4.14 hereto lists each material insurance policy maintained by the Company and its Subsidiaries and each claim that has been made under each such policy in the last two (2) years. The Company has provided notice to its insurers in accordance with the applicable policies of all potential claims which would be covered by such policies and, to the Company's knowledge, there is no material claim pending under any of such policies as to which coverage has been denied or disputed by the underwriters of such policies. Each such insurance policy is in full force and effect and neither the Company nor any of its Subsidiaries is in material default with respect to its obligations under any such insurance policy.

. Compliance with Laws.

The Company and each of its Subsidiaries is in compliance in all material respects with all applicable laws and regulations of foreign, federal, state and local governments and all agencies thereof.

. Environmental Compliance and Conditions.

Except as set forth on Schedule 4.16 hereto:

(a) The Company and its Subsidiaries have obtained and possess all material permits, licenses and other authorizations required under federal, state and local laws and regulations concerning occupational health and safety, pollution or protection of the environment that were enacted and in effect on or prior to the Closing Date, including all such laws and regulations relating to the emission, discharge, release or threatened release of any chemicals, petroleum, pollutants, contaminants or hazardous or toxic materials, substances or wastes into ambient air, surface water, groundwater or lands or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any chemicals, petroleum, pollutants, contaminants or hazardous or toxic materials, substances or waste (“Environmental and Safety Requirements”).

(b) The Company and its Subsidiaries are in compliance in all material respects with all terms and conditions of such permits, licenses and authorizations and are also in compliance in all material respects with all other Environmental and Safety Requirements and any written notice or demand letter issued, entered, promulgated or approved thereunder.

(c) Neither the Company nor any of its Subsidiaries has received, since January 1, 2009, any written notice of violations or liabilities arising under Environmental and Safety Requirements, including any investigatory, remedial or corrective obligation, relating to the Company, its Subsidiaries or their facilities and arising under Environmental and Safety Requirements, the subject of which is unresolved.

(d) This Section 4.16 constitutes the sole and exclusive representations and warranties of the Company and its Subsidiaries with respect to any environmental, health or safety matters, including any arising under Environmental and Safety Requirements.

. Affiliated Transactions.

Except as set forth on Schedule 4.17 hereto, to the Company's knowledge, no officer, director or Affiliate of the Company or any individual in such officer's or director's immediate family (a) is a party to any material agreement, contract, commitment or transaction with the Company or any of its Subsidiaries or has any material interest in any material property used by the Company or any of its Subsidiaries, (b) has any interest, direct or indirect, in any customer, supplier or competitor of the Company or its Subsidiaries, or (c) has any interest in any Intellectual Property of the Company or its Subsidiaries.

. Employees.

(a) Neither the Company nor any of its Subsidiaries has experienced any strike, organized slowdown, or work stoppage and, to the Company's knowledge, no such action has been threatened or is pending. Except as set forth on Schedule 4.18(a), neither the Company nor any of its subsidiaries has experienced any grievance, claim of unfair labor practices, or other collective bargaining dispute, or committed any unfair labor practice, and, to the Company's knowledge, no such grievance, claim of unfair labor practices or other collective bargaining dispute is pending or been threatened against the Company or any of its Subsidiaries. To the Company's knowledge, no organizational effort is presently being made or threatened by or on behalf of any labor union with respect to employees of the Company or any of its Subsidiaries. Neither the Company nor any of its Subsidiaries has received any notification of any material grievances, complaints or charges that have been filed against the Company or its Subsidiaries under any dispute resolution procedure (including, but not limited to, any proceedings under any dispute resolution procedure under any collective bargaining agreement) that have not been dismissed. No collective bargaining agreements are in effect or are currently being negotiated by the Company or any of its Subsidiaries, nor is the Company or any of its Subsidiaries obligated under any contract, order, or law to recognize or bargain with a labor organization or union on behalf of any of its employees.

(b) Schedule 4.18(b) contains a true and correct and complete list of all present employees employed or engaged by the Company or any of its Subsidiaries, any bonus received by any of them during the twelve (12) months ended July 31, 2012, their current remuneration, and description of all material perquisites and fringe benefits they receive or are eligible to receive. Except as set forth on Schedule 4.18(b), as of the date hereof, neither the Company nor any of its Subsidiaries has received any notice of intent to terminate employment from any person listed on Schedule 4.18(b). None of the persons listed on Schedule 4.18(b) and none of the persons engaged in the Company's or its Subsidiaries' business is an independent contractor or has been treated as an independent contractor by the Company or any of Subsidiaries within the past three (3) years. Except as set forth on Schedule 4.18(b), the employment of each employee and each independent contractor of the Company or any of its subsidiaries is terminable at will without any penalty, liability, or severance obligation.

(c) The Company and its Subsidiaries have complied in all material respects with all applicable federal, state, and local laws concerning the employment relationship and with all agreements relating to the employment of its employees, including applicable wage and hour laws, fair employment laws, affirmative action laws, health and safety laws, worker compensation laws, unemployment laws, laws regarding hiring, laws regarding termination of employment and social security laws. There are no pending or, to the Company's knowledge, threatened Labor Claims. There is no proceeding pending before, or, to the Company's knowledge, compliance review being conducted by, the U.S. Office of Contract Compliance Programs, the Wage and Hour Division of the U.S. Department of Labor (the "DOL") or any other office of the DOL or any other governmental agency or authority relating to any employees of the Company and no such proceeding or, to the Company's knowledge, compliance review has occurred within the past five (5) years. Neither the Company nor any of its Subsidiaries is bound by any consent decree or settlement agreement relating to employment decisions or relations with employees, independent contractors or applicants for employment. To the Company's knowledge, no employee or consultant of the Company or any of its Subsidiaries has violated any employment, consulting, non-disclosure, non-competition, non-solicitation or

other contract or agreement by which such employee is bound (including any laws relating to unfair competition, trade secrets or proprietary information) as a result of providing services to the Company or disclosing or using any information in connection with such services. Neither the Company nor any of its Subsidiaries is liable for any unpaid wages, bonuses, or commissions (other than those not yet due) or any Tax or penalty for failure to comply with any of the foregoing. Except as set forth on Schedule 4.18(c), there is no outstanding policy, practice, plan, agreement or arrangement with respect to severance payments with respect to any employee of the Company.

(d) The Company and its Subsidiaries are in compliance in all material respects with the terms and provisions of the Immigration Reform and Control Act of 1986 and all regulations promulgated thereunder (the "Immigration Laws"). Neither the Company nor any of its Subsidiaries has ever been the subject of any inspection or, to the Company's knowledge, investigation relating to its compliance with or violation of the Immigration Laws, nor have they been warned in writing, fined or otherwise penalized by reason of any failure to comply with the Immigration Laws, nor is any such proceeding pending or, to the Company's knowledge, threatened.

(e) Neither the Company nor any of its Subsidiaries has effectuated (i) a "plant closing" (as defined in the Worker Adjustment and Retraining Notification (WARN) Act of 1988, as amended (the "WARN Act")) affecting any site of employment or one or more facilities or operating units within any site of employment or facility of the Company or any of its Subsidiaries; or (ii) a "mass layoff" (as defined in the WARN Act) affecting any site of employment or facility of the Company or any of its Subsidiaries, and neither the Company nor any of its Subsidiaries has been affected by any transaction or engaged in layoffs or employment terminations sufficient in number to trigger application of any similar state or local law or regulation. Except as set forth on Schedule 4.18(e) none of the Company's or its Subsidiaries employees has suffered an "employment" loss (as defined in the WARN Act) since six (6) months prior to the Closing Date.

(f) The Company and its Subsidiaries have complied in all material respects with all applicable laws relating to employee health and safety and have not received any written notice or, to the Company's knowledge, verbal notice that past or present conditions of its assets or properties violate any applicable legal requirements.

. Brokerage.

Except for certain fees and expenses of William Blair & Company, L.L.C., which fees and expenses constitute Transaction Expenses hereunder, there are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of the Company.

. Minutes and Stock Records.

The minute books of the Company and its Subsidiaries contain records that are accurate in all material respects of all meetings and consents in lieu of meetings of its Board of Directors and any committees thereof (whether permanent or temporary) and of its stockholders (or equivalent) since August 14, 2008, and such records accurately reflect all transactions referred to in such minutes and consents. The stock books (or equivalent) of the Company and its Subsidiaries accurately reflect the ownership of the capital stock (or equivalent) of the Company and its Subsidiaries.

. Accounting System.

The books of account of the Company and its Subsidiaries are adequate to enable the Company and its Subsidiaries to prepare their Financial Statements in accordance with GAAP. The books and records of the Company and its Subsidiaries accurately reflect, in all material respects, its income, expenses, assets and liabilities and the Company and its Subsidiaries maintain internal accounting controls which provide

reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP.

. Bank Accounts.

Schedule 4.22 lists all of the bank accounts of the Company and its Subsidiaries, including the bank name, branch location, ABA and routing numbers, and authorized signatories on such accounts.

. Powers of Attorney.

Except as set forth on Schedule 4.23, neither the Company nor its Subsidiaries has granted any powers of attorney to any Person to act on behalf of the Company or its Subsidiaries.

. Board Approval.

The Board of Directors of the Company has unanimously approved this Agreement.

. Accounts Receivable.

The Company's and its Subsidiaries' allowance for doubtful accounts are in the Company's and its Subsidiaries' opinion reasonable and have been prepared in accordance with GAAP consistently applied and in accordance with the Company's past practices. To the knowledge of the Company, none of the Company's or its Subsidiaries' receivables are subject to any material claim of setoff, recoupment or counterclaim. No Person has any Lien on any of such receivables and non-contract for deduction or discount has been made with respect to any of such receivables.

. Indebtedness.

Other than amounts included in the Closing Indebtedness Amount, neither the Buyer nor the Company or its Subsidiaries will incur any costs in connection with fulfilling their obligations under Section 1.04(c), including without limitation any administrative fees or prepayment penalties.

. No Other Representations and Warranties

. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE IV (INCLUDING THE SCHEDULES), THE COMPANY MAKES NO EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY, AND THE COMPANY HEREBY DISCLAIMS ANY SUCH REPRESENTATION OR WARRANTY, WITH RESPECT TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT AND THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

ArticleI

ArticleII

ArticleIII **REPRESENTATIONS AND WARRANTIES OF THE BUYER**

The Buyer represents and warrants to the Stockholders and the Company that:

. Organization and Corporate Power.

The Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Georgia, with full power and authority to enter into this Agreement and perform its obligations hereunder.

. Authorization.

The execution, delivery and performance of this Agreement by the Buyer and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite action, and no other proceedings on its part (including the consent or approval of Buyer's stockholders, if necessary) are necessary to authorize the execution, delivery or performance of this Agreement. This Agreement has been duly executed and delivered by the Buyer and assuming that this Agreement is a valid

and binding obligation of the Company and the Stockholders, this Agreement constitutes a valid and binding obligation of the Buyer, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy laws, other similar laws affecting creditors' rights and general principles of equity effecting the availability of specific performance and other equitable remedies.

. No Violation.

The Buyer is not subject to or obligated under its certificate or articles of incorporation, its bylaws (or similar organizational documents), any applicable law, or rule or regulation of any governmental authority, or any material agreement or instrument, or any license, franchise or permit, or subject to any order, writ, injunction or decree, which would be breached or violated in any material respect by the Buyer's execution, delivery or performance of this Agreement or the consummation of the transactions contemplated hereby.

. Governmental Authorities; Consents.

Except for the applicable requirements of the HSR Act, the Buyer is not required to submit any notice, report or other filing with any governmental authority in connection with the execution, delivery or performance by it of this Agreement or the consummation of the transactions contemplated hereby. No consent, approval or authorization of any governmental or regulatory authority or any other party or Person is required to be obtained by the Buyer in connection with its execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby.

. Litigation.

There are no actions, suits or proceedings pending or, to the Buyer's knowledge, overtly threatened against the Buyer at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which would adversely affect the Buyer's performance under this Agreement or the consummation of the transactions contemplated hereby. The Buyer is not subject to any outstanding judgment, order or decree of any court or governmental body which would adversely affect the Buyer's performance under this Agreement or the consummation of the transactions contemplated hereby.

. Brokerage.

Except for fees which may be owed by the Buyer to Deutsche Bank for services in connection with this Agreement, for which the Buyer shall be solely responsible, there are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of the Buyer.

. Investment Representation.

The Buyer is acquiring the Shares for its own account with the present intention of holding such securities for investment purposes and not with a view to, or for sale in connection with, any distribution of such securities in violation of any federal or state securities laws. The Buyer is an “accredited investor” as defined in Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended. The Buyer acknowledges that it is informed as to the risks of the transactions contemplated hereby and of ownership of the Shares. The Buyer acknowledges that the Shares have not been registered under the Securities Act of 1933, as amended, or any state or foreign securities laws and that the Shares may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of unless such transfer, sale, assignment, pledge, hypothecation or other disposition is pursuant to the terms of an effective registration statement under the Securities Act of 1933, as amended, and the Shares are registered under any applicable state or foreign securities laws or sold pursuant to an exemption from registration under the Securities Act of 1933, as amended, and any applicable state or foreign securities laws.

. Financing.

The Buyer has as of the date of this Agreement and will have at the Closing sufficient cash, available lines of credit or other sources of immediately available funds to make payment of all amounts to be paid by it hereunder on and after the Closing Date. The Buyer acknowledges and agrees that its obligations under this Agreement are not subject to any condition regarding the Buyer's ability to obtain financing for the consummation of the transactions contemplated by this Agreement.

. Solvency.

Immediately after giving effect to the transactions contemplated by this Agreement, and assuming that the representations and warranties of the Company and its Subsidiaries in this Agreement are true and correct, the Company and each of its Subsidiaries shall be able to pay their respective debts as they become due and shall own property which has a fair saleable value greater than the amounts required to pay their respective debts (including a reasonable estimate of the amount of all contingent liabilities). Immediately after giving effect to the transactions contemplated by this Agreement, and assuming that the representations and warranties of the Company and its Subsidiaries in this Agreement are true and correct, the Company and each of its Subsidiaries shall have adequate capital to carry on their respective businesses. No transfer of property is being made and no obligation is being incurred in connection with the transactions contemplated by this Agreement with the intent to hinder, delay or defraud either present or future creditors of the Company or its Subsidiaries.

COVENANTS OF THE COMPANY

. Conduct of the Business.

(a) From the date hereof until the earlier of the Closing Date or the termination of this Agreement pursuant to Section 8.01, the Company shall conduct its business and the businesses of its Subsidiaries in all material respects in the ordinary course of business, except if the Buyer shall have otherwise consented in writing (which consent will not be unreasonably withheld, conditioned or delayed); provided that, notwithstanding the foregoing, the Company may use all available cash to repay any Indebtedness prior to the Closing.

(b) From the date hereof until the earlier of the Closing Date or the termination of this Agreement pursuant to Section 8.01, except as otherwise provided for by this Agreement or consented to in writing by the Buyer (which consent will not be unreasonably withheld, conditioned or delayed), the Company shall not, and shall not permit any Subsidiary to: (i) issue, sell deliver, purchase, redeem or otherwise acquire, directly or indirectly, any shares of its or any of its Subsidiaries' capital stock (other than with respect to the exercise of options outstanding as of the date hereof) or issue or sell any securities convertible into, or options with respect to, or warrants to purchase or rights to subscribe for, any shares of its or any of its Subsidiaries' capital stock; (ii) effect any recapitalization, reclassification, stock dividend, stock split or like change in its capitalization; (iii) waive any stock repurchase rights, repurchase restricted stock, reprice Options granted to any employee, consultant, director or other Person, authorize cash payments in exchange for any Options, or take any such action with regard to any warrant or other right to acquire the Company's capital stock; provided that the Company shall be permitted to accelerate the vesting of any and all unvested Options outstanding as of the date hereof; (iv) amend any provision of its or any of its Subsidiaries' certificate or articles of incorporation or bylaws (or equivalent organizational documents); (v) make any redemption or purchase of any shares of its or any of its Subsidiaries' capital stock (other than with respect to the repurchase of shares of Company Stock from former employees of the Company or any of its Subsidiaries pursuant to existing agreements); (vi) sell, assign or transfer any material portion of its tangible assets, except sales of products in the ordinary course of business; (vii) make any capital investment in excess of $50,000, or any material loan to, any other Person (other than a Subsidiary of the Company); (viii) make any capital expenditures or commitments therefore in excess of $50,000; (ix) make any loan to, or enter into any other

material transaction with, any of its directors, officers, and employees; (x) grant any severance or termination pay to any officer, director or employee except pursuant to written agreements in effect as of the date hereof and as previously disclosed in writing to Buyer, or adopt any new severance plan; (xi) make or declare any distributions to Stockholders; (xi) make any change in accounting practices or policies; (xii) enter into any contract which would contravene the representations and warranties contained in Section 4.09 if such contract were in force as of the date of this Agreement; (xiii) enter into any contract for the purchase or real property or any agreement to lease property; (xiv) cancel any debts owed to or claims held by the Company or its Subsidiaries other than in the ordinary course of business consistent with past practice; (xv) terminate (other than for cause) or hire any management-level Employees; (xvi) enter into any contract where the Company's or its Subsidiaries' annual obligation exceeds $50,000; (xvii) enter into or adopt or amend any bonus, incentive, deferred compensation, insurance, medical, hospital, disability, or severance plan, agreement or arrangement or enter into or amend any employee benefit plan or employment, consulting or management agreement, other than any such amendment to an employee benefit plan that is made to maintain the qualified status of such plan or its continued compliance with applicable law; provided that the Company and its Subsidiaries shall be permitted to authorize and pay sale bonuses or other similar bonuses in connection with the consummation of the transactions contemplated by this Agreement up to an aggregate amount of $500,000 (which bonuses shall be paid by the Company immediately prior to the Closing); (xviii) amend or alter the Company's corporate structure; (xix) file or amend any Tax Return inconsistent with past practice or, on any such Tax Return, take any position, make any election, or adopt any method that was inconsistent with positions taken, elections made or methods used in filing similar Tax Returns in prior periods, or settle any Tax claim; or (xx) agree in writing or otherwise to take any of the actions described above. Notwithstanding any provision contained in this Agreement, any action taken by the Company and its Subsidiaries which is permitted under this Section 6.01 shall not constitute a breach of a representation or warranty or a breach of covenant. The Company shall have the right to update the Schedules hereto between the date hereof and the Closing to reflect actions taken by the Company and its Subsidiaries which are permitted to be taken pursuant to this Section 6.01, and notwithstanding anything to the contrary in Section 6.05, such updates to the Schedules shall amend the Schedules for all purposes, including for purposes of determining whether the Buyer is entitled to terminate this Agreement pursuant to Section 8.01 or prevent consummation of the transactions contemplated by this Agreement pursuant to Section 2.01(a) and for purposes of the indemnification obligations of the Stockholders and Optionholders set forth in Article IX.

. Control of the Company's Operations.

Nothing contained in this Agreement shall give to Buyer, directly or indirectly, rights to control or direct the Company's operations prior to the Closing. Prior to the Closing, the Company shall exercise complete control of its business and operations, subject to the restrictions contained in Section 6.01.

. Regulatory Filings.

The Company shall make or cause to be made all filings and submissions under the HSR Act and any other material laws or regulations applicable to the Company and its Subsidiaries for the consummation of the transactions contemplated herein. The Company shall coordinate and cooperate with the Buyer in exchanging such information and providing such assistance as the Buyer may reasonably request in connection with the foregoing.

. Conditions.

The Company shall use its reasonable best efforts to cause the conditions set forth in Section 2.01 to be satisfied and to consummate the transactions contemplated herein as soon as reasonably practicable.

. Notification.

From the date hereof until the Closing Date, the Company shall disclose to the Buyer in writing (in the form of updated Schedules) any material variances from the representations and warranties contained in Article IV, as applicable, and of any other fact or event that would cause or constitute a breach of the covenants in this Agreement made by the Company. Notwithstanding any provision in this Agreement to the contrary but subject to Section 6.01, unless the Buyer provides the Company or the Stockholder Representative with a termination notice within five (5) business days after delivery by the Company or the Stockholder Representative of an updated Schedule pursuant to this Section 6.05 (which notice may only be delivered if the Buyer is entitled to terminate the Agreement pursuant to Section 8.01), the Buyer shall be deemed to have waived its right to terminate this Agreement or prevent the consummation of the transactions contemplated by this Agreement pursuant to Section 2.01(a) and to have accepted the updated Schedules for purposes of Section 8.01, provided that if the Buyer is not entitled to terminate this Agreement pursuant to Section 8.01, such disclosures shall not amend or supplement the Schedules for purposes of the indemnification obligations of the Stockholders and Optionholders set forth in Article IX.

. FIRPTA Certificate.

At the Closing, the Company shall to deliver to the Buyer a certificate, duly completed and executed by the Company, stating that Company is not and has not been a United States real property holding corporation, dated as of the Closing Date and in form and substance required under Treasury Regulation Section 1.897-2(h), so that the Buyer is exempt from withholding any portion of the Purchase Price hereunder. The Buyer's only remedy for the Company's failure to provide such certificate will be to withhold from the payments to be made pursuant to this Agreement any required withholding Tax under Section 1445 of the Code, and the Company's failure to provide such certificate shall not be deemed to be a failure of the condition set forth in Section 2.01(b) to have been met.

. Section 280G Matters

. The Company shall seek the necessary approval from Stockholders of any payments or benefits either (a) under any Plan or other agreement, in each case, entered into by the Company or any of its Subsidiaries prior to the date of this Agreement or (b) made pursuant to this Agreement, and excluding from both (a) and (b) hereof, for the avoidance of doubt, any payments made pursuant to any contract, agreement, or plan entered into by the Buyer or its Affiliates (other than this Agreement and payments or benefits made pursuant to any contract, agreement, or plan entered by the Buyer or its Affiliates as long as such contract, agreement, or plan is disclosed, in writing, by the Buyer to the Company at least ten (10) business days prior to the Closing Date), which would be an "excess parachute payment" under Section 280G of the Code as a result of the transactions contemplated by this Agreement; provided that any communications to the Stockholders regarding such approval (including the computations of parachute payments, the identification of the "disqualified individuals" who are potential recipients of parachute payments, and the waivers of payments and/or benefits executed by the affected individuals) shall be made available to the Buyer and the Buyer shall have the right to review and approve (which approval shall not be unreasonably conditioned, withheld or delayed) such communications before they are distributed to the Stockholders. The Company shall deliver to the Buyer prior to the Closing reasonable evidence either (x) that the Stockholder approval was solicited in conformity with Section 280G of the Code and the regulations promulgated thereunder and the necessary Stockholder approval was obtained with respect to any payments and/or benefits that were subject to the Stockholder vote (the "280G Approval"), or (y) that the 280G Approval was not obtained and, as a consequence, that such "excess parachute payments" shall not be made or provided, as authorized under the waivers of those payments and/or benefits which were executed by all of the affected individuals.

COVENANTS OF THE BUYER

. Access to Books and Records.

From and after the Closing, the Buyer shall, and shall cause the Company to, provide the Stockholder Representative and the Stockholders and their authorized representatives with reasonable access (for the purpose of examining and copying), during normal business hours, to the books and records of the Company and its Subsidiaries with respect to periods or occurrences prior to or on the Closing Date. Unless otherwise consented to in writing by the Stockholder Representative, the Buyer shall not, and shall not permit the Company to, for a period of seven (7) years following the Closing Date, destroy, alter or otherwise dispose of any of the books and records of the Company or its Subsidiaries for any period prior to the Closing Date without first giving reasonable prior notice to the Stockholder Representative and offering to surrender to the Stockholder Representative (on behalf of the Stockholders) such books and records or any portion thereof which the Buyer or the Company may intend to destroy, alter or dispose of.

. Notification.

From the date hereof until the Closing Date, the Buyer shall disclose to the Company and the Stockholder Representative in writing (in the form of updated Schedules) any material variances from the representations and warranties contained in Article V, and of any other fact or event that would cause or constitute a breach of the covenants in this Agreement made by the Buyer, in each case, promptly upon discovery thereof, provided that such disclosures shall not amend or supplement the Schedules for purposes of the indemnification obligations of the Buyer set forth in Article IX.

. Director and Officer Liability and Indemnification.

(a) For a period of six (6) years after the Closing, the Buyer shall not, and shall not permit the Company or any of its Subsidiaries to, amend, repeal or otherwise modify any provision in the Company's or any of its Subsidiaries' certificate of incorporation or bylaws (or equivalent governing documents) relating to the exculpation or indemnification of any officers and/or directors (unless required by law), it being the intent of the parties that the officers and directors of the Company and its Subsidiaries shall continue to be entitled to such exculpation and indemnification to the full extent of the law.

(b) As of the Closing Date, the Buyer shall, or shall cause the Company and its Subsidiaries to, purchase directors' and officers' liability insurance coverage for the individuals who were officers and directors of the Company and its Subsidiaries on and prior to the Closing that shall provide such directors and officers with “tail” coverage for six (6) years following the Closing on terms and containing coverage limits no less favorable to the officers and directors as the policy or policies maintained by the Company or its Subsidiaries immediately prior to the Closing for the benefit of such individuals, provided that the costs of such coverage do not exceed standard rates in the industry.

(c) The parties hereto agree that each of the officers and directors of the Company and its Subsidiaries as of immediately prior to the Closing is an express and intended third-party beneficiary under this Section 7.03 and, as such, such Persons may independently enforce the provisions of this Section 7.03.

. Employment and Benefit Arrangements.

(a)

(b) For a period of not less than one (1) year following the Closing, the Buyer, the Company or their respective Affiliates shall provide the employees of the Company and/or any of its Subsidiaries who are employed by the Company or any of its Subsidiaries as of the Closing (the “Continuing Employees”) with compensation and benefits that are substantially comparable in the aggregate to the compensation and benefits provided to such employees immediately prior to the Closing, provided that nothing in this Agreement shall be construed to require the Buyer, the Company or any of their respective Affiliates to continue to employ any such Continuing Employees for any period following the Closing or to provide any such Continuing Employees with compensation or benefits if their employment is terminated after the Closing. The Buyer, the Company and their respective Affiliates shall take all actions required so that the Continuing Employees shall receive

credit for purposes of participation, vesting and accrual of benefits under any benefit or compensation plans, programs, agreements or arrangements maintained by the Buyer, the Company or any of its Affiliates, to the extent credited under an analogous plan, program, agreement or arrangement of the Company or any of its Subsidiaries as of the Closing Date. To the extent that any welfare benefit coverage in which the Continuing Employees participate is modified, the Buyer, the Company and their respective Affiliates shall waive or cause to be waived any applicable waiting periods, pre-existing conditions or actively-at-work requirements and shall give the Continuing Employees credit under the new coverages or benefit plans for deductibles, co-payments and out-of-pocket payments that have been paid during the year in which such coverage modification occurs. The Buyer agrees that the Buyer shall be solely responsible for satisfying the continuation coverage requirements of Section 4980B of the Code for all individuals who are "M&A qualified beneficiaries" as such term is defined in Treas. Reg. Sec. 54-4980B-9.

(c) Prior to the Closing Date, the Company's Board of Directors shall execute a resolution terminating the Company's 401(k) plan, contingent upon the Closing and effective on the date immediately preceding the Closing Date. Continuing Employees shall be entitled to participate in Buyer's or its Affiliate's 401(k) plan as soon as administratively feasible after the Closing (and in no event later than 30 days after the Closing) in accordance with, and after giving effect to, the participation and vesting service crediting provisions in Section 7.04(a) above.

. Regulatory Filings.

The Buyer shall, within ten (10) business days after the date hereof, make or cause to be made all filings and submissions required of the Buyer under any laws or regulations applicable to the Buyer for the consummation of the transactions contemplated herein, including a Notification and Report Form under the HSR Act with the United States Federal Trade Commission (the "FTC") and the Antitrust Division of the United States Department of Justice (the "Antitrust Division"), which filings, in each case, shall include a request for early termination of any applicable waiting periods. Buyer shall (i) respond as promptly as practicable to any inquiries received from the FTC or the Antitrust Division for additional information or documentation and to all inquiries and requests received from any State Attorney General or other governmental entity in connection with antitrust matters, and (ii) not extend any waiting period under the HSR Act or enter into any agreement with the FTC or the Antitrust Division not to consummate the transactions contemplated by this Agreement, except with the prior written consent of the Company. Buyer shall commit to take all steps which it is capable of taking to avoid or eliminate impediments under any antitrust, competition, or trade regulation law that may be asserted by the FTC, the Antitrust Division, any State Attorney General or any other governmental entity with respect to the transactions contemplated hereby so as to enable the consummation thereof as promptly as reasonably practicable and shall defend through litigation on the merits any claim asserted in any court by any party, including appeals, provided that (a) the Company and the Buyer shall share equally in any such litigation costs and (b) the Buyer shall not be required to sell any asset, divest any subsidiary or affiliate, or take any similar action which the Buyer in good faith reasonably determines would be adverse to the Buyer's business. Each party shall (i) promptly notify the other party of any written communication to that party from the FTC, the Antitrust Division, any State Attorney General or any other governmental entity and, subject to applicable law, permit the other party to review in advance any proposed written communication to any of the foregoing; (ii) not agree to participate in any substantive meeting or discussion with any governmental authority in respect of any filings, investigation or inquiry concerning this Agreement unless it consults with the other party in advance and, to the extent permitted by such governmental authority, gives the other party the opportunity to attend and participate thereat; and (iii) furnish the other party with copies of all correspondence, filings, and communications (and memoranda setting forth the substance thereof) between them and their Affiliates and their respective representatives on the one hand, and any government or regulatory authority or members or their respective staffs on the other hand, with respect to this Agreement. The Company and the Stockholder

Representative shall cooperate with the Buyer in connection with the submissions contemplated by this Section 7.05. The Buyer and the Company shall each pay one-half of the filing fees to be made by Buyer and the Company pursuant to this Agreement under the HSR Act and under any such other laws or regulations applicable to the Buyer.

. Conditions.

The Buyer shall use reasonable best efforts to cause the conditions set forth in Section 2.02 to be satisfied and to consummate the transactions contemplated herein as soon as reasonably practicable.

. Contact with Employees, Customers and Suppliers.

Prior to the Closing, neither the Buyer nor the Buyer's representatives shall contact or communicate with the employees, customers or suppliers of the Company and its Subsidiaries in connection with the transactions contemplated hereby without prior consultation with of the Stockholder Representative; provided that, customary communications regarding ongoing business activities between Buyer and the Company unrelated to the transactions contemplated by this Agreement shall not constitute a violation of this Section 7.07.

TERMINATION

. Termination.

This Agreement may be terminated at any time prior to the Closing as follows and in no other manner:

(a) by the mutual written agreement of the Buyer and the Stockholder Representative (on behalf of the Stockholders and the Company);

(b) by the Buyer, if there has been a violation or breach by the Company or any Stockholder of any covenant, representation or warranty contained in this Agreement such that the conditions to closing set forth in Section 2.01(a) or 2.01(b) would not be satisfied and such violation or breach has not been waived by the Buyer or cured by the Company or such Stockholder, as applicable, within ten (10) business days after receipt by Stockholder Representative of written notice thereof from the Buyer;

(c) by the Stockholder Representative (on behalf of the Stockholders and the Company), if there has been a violation or breach by the Buyer of any covenant, representation or warranty contained in this Agreement such that the conditions to closing set forth in Section 2.02(a) or 2.02(b) would not be satisfied and such violation or breach has not been waived by the Stockholder Representative or cured by the Buyer within ten (10) business days after receipt by the Buyer of written notice thereof by the Stockholder Representative (provided that neither a breach by the Buyer of Section 5.08 hereof nor the failure to deliver the consideration at the Closing as required by Section 1.01 and Section 1.02 shall be subject to cure hereunder unless otherwise agreed to in writing by the Stockholder Representative); or

(d) by the Buyer or the Stockholder Representative, if the transactions contemplated hereby have not been consummated on or before December 15, 2012; provided that (i) the Buyer shall not be entitled to terminate this Agreement pursuant to this Section 8.01(d) if (A) the Buyer's breach of this Agreement has prevented the consummation of the transactions contemplated hereby by such date or (B) Buyer fails to obtain sufficient financing for the consummation of the transactions contemplated hereby by such date, and (ii) the Stockholder Representative shall not be entitled to terminate this Agreement pursuant to this Section 8.01(d) if a breach of this Agreement by any Stockholder or the Company has prevented the consummation of the transactions contemplated hereby by such date.

. Effect of Termination.

In the event this Agreement is terminated by either the Buyer or the Stockholder Representative as provided above, the provisions of this Agreement shall immediately become void and of

no further force and effect (other than this Section 8.02, Article X and Article XIII hereof, which shall survive the termination of this Agreement), and there shall be no liability on the part of either the Buyer, the Company or the Stockholders to one another, except for knowing and willful breaches of this Agreement prior to the time of such termination.

INDEMNIFICATION

. Survival of Representations, Warranties, Covenants, Agreements and Other Provisions.

The Fundamental Representations and the representations and warranties set forth in Section 4.08 (Tax Matters) shall survive the Closing until the expiration of the applicable statute of limitations with respect to the liabilities in question. All other representations and warranties of the parties set forth in this Agreement shall survive the Closing and shall terminate on February 28, 2014. All covenants of the Company, the Stockholders and the Buyer shall survive the Closing in accordance with their respective terms. No claim for indemnification hereunder for breach of any such representations, warranties, covenants, agreements and other provisions may be made after the expiration of the applicable survival period; provided that such obligation to indemnify and hold harmless with respect to Losses arising prior to the expiration of the applicable survival period shall not terminate with respect to any item as to which the Person to be indemnified shall have, prior to the expiration of the applicable survival period, previously made a claim by delivering a written notice describing the claim, the amount thereof (if known and quantifiable) and the basis thereof to the Indemnitor in accordance with this Agreement.

. Indemnification from the Escrow Account for the Benefit of the Buyer.

(a) From and after the Closing (but subject to the provisions of this Article IX and the Escrow Agreement), each Stockholder and Optionholder (each, an "Equityholder") shall, severally and not jointly, on a pro-rata basis based on their respective Common Percentages, indemnify Buyer and Buyer's Affiliates and their respective officers, managers, directors, partners, members, employees, agents, representatives, successors and permitted assigns (the "Buyer Indemnified Parties") and hold them harmless against any loss, liability, damage or expense ("Losses") suffered or incurred by the Buyer Indemnified Parties to the extent arising from (i) any breach of any of the representations and warranties of the Company or the Stockholders set forth herein or in any certificate delivered by or on behalf of the Company or the Stockholders at Closing, (ii) any breach of the covenants and agreements of the Stockholders or, with respect to pre-Closing periods, of the Company, set forth herein or (iii) the matters described in Schedule 9.02(a) (such matters set forth on Schedule 9.02(a), collectively, the "Excluded Matters"); provided that, no claims by a Buyer Indemnified Party under Sections 9.02(a)(i) and (ii) (except for those in connection with the Fundamental Representations) may be so asserted unless and until the aggregate amount of Losses that would otherwise be payable hereunder from the Escrow Amount exceeds on a cumulative basis an amount equal to $750,000 (the "Deductible"), and then only to the extent such Losses exceed the Deductible, provided further that, no individual claim by a Buyer Indemnified Party under Sections 9.02(a)(i) and (ii) (except for those in connection with the Fundamental Representations) may be so asserted unless and until the aggregate amount of Losses that would be payable pursuant to such claim exceeds an amount equal to $20,000 (the "Mini-Basket"), provided that once the Mini-Basket is exceeded, all such Losses shall be recoverable. The parties hereto agree that to the extent any matter which forms the basis for a claim of indemnification under this Agreement constitutes both a breach of a representation or warranty hereunder and a breach of a covenant hereunder, the party seeking indemnification shall be required to assert such matter as a breach of a representation and warranty and may not assert such matter as a breach of a covenant. Notwithstanding anything in this Agreement to the contrary, the Equityholders shall have no obligation to indemnify the Buyer Indemnified Parties from and against any Loss consisting of or relating to Taxes (A) with respect to any taxable period (or portion thereof) beginning after the Closing Date except as a result of any breach of any

of the representations and warranties of the Company or the Stockholders set forth in Section 4.08(f), (B) as a result of any election made under Section 338 or the Code, or (C) as a result of transactions occurring on or after the Closing.
Any indemnification of the Buyer Indemnified Parties pursuant to this Section 9.02 shall be effected by wire transfer of immediately available funds to an account designated by the Buyer within fifteen (15) days after the final determination thereof.

(b) Recovery against the Escrow Amount pursuant to this Section 9.02 and the Escrow Agreement constitutes the Buyer Indemnified Parties' sole and exclusive remedy for any and all Losses or other claims relating to or arising from this Agreement or in connection with the transactions contemplated hereby, or in any exhibit, Schedule or certificate delivered hereunder (it being understood that the aggregate amount of payments to which the Buyer shall be entitled in satisfaction of claims for Losses shall in no event exceed the Escrow Amount (the "Cap"), other than with respect to breaches of Fundamental Representations, covenants to be performed after the Closing, and in connection with the Excluded Matters, which shall not be subject to the Cap or the limitation that such claim may be made only against the Escrow Amount; provided that, if the amount determined to be due to the Buyer Indemnified Party with respect to a breach of a Fundamental Representation or covenant to be performed after the Closing exceeds the then available Escrow Amount, the Stockholders shall collectively be responsible for such excess, on a several and not joint basis according to each Stockholder's Undiluted Common Percentage; and provided further that, with respect to any such claims related to any breach of any representations or warranties contained in Article III or breach of any covenant to be performed by a Stockholder, the Buyer Indemnified Party shall only seek payment directly from the Stockholder severally liable for such claim, subject to the limitations set forth in this Article IX. For the avoidance of doubt, any amounts owing from the Stockholders to the Buyer Indemnified Party pursuant to this Article IX shall first be made to the extent possible from the Escrow Amount and thereafter shall be made directly by the Stockholders. Without limiting or modifying the applicability of the Deductible, Mini-Basket or Cap, in no event will (i) the aggregate amount required to be paid collectively by the Equityholders for any and all claims and Losses under this Agreement exceed the Total Proceeds and (ii) the aggregate amount required to be paid by any individual Equityholder for any and all claims and Losses under this Agreement exceed such Person's Equityholder Net Proceeds, in the case of each of the foregoing clauses (i) and (ii), including any and all amounts for Losses under this Article IX. Notwithstanding anything else to the contrary in this Agreement, solely with respect to funds to be paid out of the Escrow Account, the Stockholders' and Optionholders' liability under this Agreement shall be joint and several.

(c) The Buyer Indemnified Party may not avoid the limitations on liability set forth in this Article IX by seeking damages for breach of contract, tort or pursuant to any other theory of liability. Notwithstanding anything to the contrary contained in this Agreement, the Buyer Indemnified Party shall have no right to indemnification hereunder with respect to any Loss or alleged Loss to the extent such Loss or alleged Loss is included in the calculation of Net Working Capital or if the Buyer shall have requested a reduction in the Preliminary Closing Statement on account of any matter forming the basis for such Loss or alleged Loss, to the extent of such requested reduction.

(d) All payments made from the Escrow Account shall be treated by the parties as an adjustment to the proceeds received by the Equityholders pursuant to Sections 1.01 or 1.02 hereof. The parties hereto agree that the Escrow Account shall be treated as a contingent installment obligation for United States federal and all applicable state and local income tax purposes, and that the Equityholders shall be obligated to report all income, if any, that is earned on, or derived from, the Escrow Account as income of the Equityholders in the taxable year or years in which such income is properly includible, and shall be obligated to pay any Taxes attributable thereto; provided, however, that any Equityholder may, in his or its

sole discretion, elect out of installment sales treatment for federal, state, and local income tax purposes with respect to the Escrow Account. Each of the parties hereto shall file all Tax Returns in a manner consistent with the foregoing.

(e) (i) Except for the Buyer pursuant to Section 1.04(f), no Person (including the Equityholders and their Affiliates) shall have any obligation to fund the Escrow Account, (ii) except for the amount to which the Buyer shall have, prior to February 28, 2014 (the "Escrow Release Date"), previously made a claim pursuant to the procedures set forth in this Article IX and under the Escrow Agreement and for which the obligations to indemnify, if any, shall not have been previously satisfied from the Escrow Amount (the "Outstanding Escrow Claims"), title and all rights to funds in the Escrow Account shall automatically transfer to the Representative (on behalf of the Equityholders, to the extent of their respective Common Percentages) on the Escrow Release Date, and (iii) the Buyer shall take all actions reasonably necessary to cause the Escrow Agent to release the remaining funds in the Escrow Account less the amount of the Outstanding Escrow Claims to the Representative (on behalf of the Equityholders, to the extent of their respective Common Percentages) on the Escrow Release Termination Date. As soon as the Outstanding Escrow Claims are resolved pursuant to the procedures set forth in this Article IX, the Buyer shall cause the Escrow Agent to release any remaining cash held by the Escrow Agent pursuant to the terms of the Escrow Agreement to the Representative (on behalf of the Equityholders, to the extent of their respective Common Percentages). In the event of a conflict between the terms of this Agreement and the Escrow Agreement as it relates to the Escrow Account, the terms of the Escrow Agreement shall prevail.

. Indemnification by the Buyer for the Benefit of the Equityholders.

The Buyer shall indemnify the Equityholders and their respective Affiliates, and the Equityholders' and their Affiliates' respective officers, managers, directors, partners, members, employees, agents, representatives, successors and permitted assigns (collectively, the "Equityholder Indemnified Parties") and hold them harmless against any Losses which the Equityholder Indemnified Parties may suffer or sustain, as a result of: (a) any breach of any representation or warranty of the Buyer under this Agreement, (b) any nonfulfillment or breach of any covenant, agreement or other provision by the Buyer or by the Company with respect to post-Closing periods and (c) any claim or suit brought against any of the Equityholder Indemnified Parties at any time on or after the Closing Date to the extent such claim or suit relates to actions taken by the Buyer or the Company on or after the Closing Date other than any claim or action for indemnification brought by the Buyer pursuant to Section 9.02; provided that the aggregate amount of all payments to which the Equityholder Indemnified Parties shall be entitled in satisfaction of claims for Losses pursuant to Section 9.03(a) shall in no event exceed the Cap other than with respect to breaches of Fundamental Representations, which shall not be subject to the Cap. Any indemnification of the Equityholders pursuant to this Section 9.03 shall be effected by wire transfer of immediately available funds to an account designated by the Representative within fifteen (15) days after the final determination thereof.

. Mitigation.

Each Person entitled to indemnification hereunder shall take all reasonable steps to mitigate all losses, costs, expenses and damages after becoming aware of any event which could reasonably be expected to give rise to any losses, costs, expenses and damages that are indemnifiable or recoverable hereunder or in connection herewith.

. Defense of Third Party Claims.

Any Person making a claim for indemnification under Section 9.02 or Section 9.03 (an "Indemnitee") shall notify the indemnifying party (an "Indemnitor") and the Stockholder Representative (on behalf of the Equityholders), if applicable, of the claim in writing promptly after receiving written notice of any action, lawsuit, proceeding, investigation or other claim against it (if by a third party) or becoming aware of the facts giving rise to such claim, describing the claim, the amount thereof (if known and quantifiable) and the basis thereof. Any Indemnitor shall be entitled to participate in the defense of such action, lawsuit,

proceeding, investigation or other claim giving rise to an Indemnitee's claim for indemnification at such Indemnitor's expense, and at its option shall be entitled to assume the defense thereof by appointing a reputable counsel reasonably acceptable to the Indemnitee to be the lead counsel in connection with such defense; provided that any Indemnitor shall continue to be entitled to assert any limitation on any claims contained herein; and provided further that the Indemnitee shall be entitled to participate in the defense of such claim and to employ counsel of its choice for such purpose (it being understood that the fees and expenses of such separate counsel shall be borne by the Indemnitee). If the Indemnitor shall control the defense of any such claim then the Indemnitor shall be entitled to settle such claim; provided that the Indemnitor shall obtain the prior written consent of the Indemnitee (which consent shall not be unreasonably withheld, conditioned or delayed) before entering into any settlement of a claim or ceasing to defend such claim if, pursuant to or as a result of such settlement or cessation, injunctive or other equitable relief will be imposed against the Indemnitee or if such settlement does not expressly and unconditionally release the Indemnitee from all liabilities and obligations with respect to such claim, except for payments that would be required to be paid by the Buyer under this Article IX. The Stockholder Representative (on behalf of the Equityholders) shall act on behalf of all Indemnitors in the case of all third party claims with respect to which the Buyer is seeking indemnification from the Equityholders under Section 9.02 (with each Equityholder responsible for its portion of the Stockholder Representative's costs and expenses in undertaking such representation (determined on a pro rata basis according to each such Person's Common Percentage)). Notwithstanding the foregoing, the defense of any claims related to, arising from or in connection with any Excluded Matter shall be conducted in accordance with the Special Disputes Schedule.

. Determination of Loss Amount.

The amount of any Loss subject to indemnification under Section 9.02 or Section 9.03 shall be calculated net of (i) any Tax Benefit inuring to the Indemnitee on account of such Loss in any tax year and (ii) any insurance proceeds or any indemnity, contribution or other similar payment actually recovered by the Indemnitee from any third party with respect thereto. If the Indemnitee receives a Tax Benefit on account of a Loss after an indemnification payment is made to it with respect to such Loss, the Indemnitee shall promptly pay to the Stockholder Representative (on behalf of the Equityholders) or the Buyer, as applicable, the amount of such Tax Benefit at such time or times as and to the extent that such Tax Benefit is realized by the Indemnitee. For purposes hereof, "Tax Benefit" shall mean any refund of Taxes paid or reduction in the amount of Taxes that otherwise would have been required to have been paid. In the event that an insurance or other recovery is made by any Indemnitee with respect to any Loss for which any such Person has been indemnified hereunder, then a refund equal to the aggregate amount of the recovery shall be made promptly to the Stockholder Representative (on behalf of the Equityholders) or the Buyer, as applicable. In no event shall any Party be entitled to recover or make a claim under or related to this Agreement for any amounts that constitute consequential, incidental or indirect damages, lost profits or punitive damages and, in particular, no "multiple of profits" or "multiple of cash flow" or similar valuation methodology shall be used in calculating the amount of any Losses.

. Exclusive Remedy.

Each party hereto acknowledges and agrees that, from and after the Closing, other than with respect to specific performance and any amounts required to be paid under Section 1.06, its sole and exclusive remedy with respect to any and all claims relating to the subject matter of this Agreement and the Schedules hereto and the transactions contemplated hereby and thereby shall be pursuant to the indemnification provisions set forth in this ARTICLE IX.

STOCKHOLDER REPRESENTATIVE

. Designation.

Great Hill Equity Partners IV, L.P. is hereby designated by each of the Stockholders to serve as the representative of the Stockholders with respect to the matters expressly set forth in this Agreement to be performed by the Stockholder Representative.

. Authority.

Each of the Stockholders, by their execution of this Agreement, hereby irrevocably appoints the Stockholder Representative as the agent, proxy and attorney-in-fact for such Stockholder for all purposes of this Agreement and the Escrow Agreement (including the full power and authority on such Stockholder's behalf (i) to consummate the transactions contemplated herein; (ii) to pay such Stockholder's expenses incurred in connection with the negotiation and performance of this Agreement and the Escrow Agreement (whether incurred on or after the date hereof); (iii) to disburse any funds received hereunder or under the Escrow Agreement to such Stockholder and each other Stockholder and Optionholder; (iv) to endorse and deliver any certificates or instruments representing the Shares and execute such further instruments of assignment as Buyer shall reasonably request; (v) to execute and deliver on behalf of such Stockholder any amendment to this Agreement or the Escrow Agreement or waiver related hereto or thereto; (vi) to take all other actions to be taken by or on behalf of such Stockholder in connection with this Agreement or the Escrow Agreement; (vii) to withhold funds by requesting the delivery directly from Buyer of the Holdback Amount, to retain such Holdback Amount for such duration as the Stockholder Representative shall determine in its sole discretion and to use the funds constituting the Holdback Amount to satisfy the expenses of the Stockholder Representative in performing its duties hereunder and to satisfy expenses and obligations of the Stockholders including, but not limited to, the Transaction Expenses or any other obligation of any Stockholder; (viii) to negotiate, settle, compromise and otherwise handle any Purchase Price adjustments and all claims for indemnification made by the Buyer; and (ix) to do each and every act and exercise any and all rights which such Stockholder or the Stockholders collectively are permitted or required to do or exercise under this Agreement). Each of the Stockholders agrees that such agency and proxy are coupled with an interest, are therefore irrevocable without the consent of the Stockholder Representative and shall survive the death, incapacity, bankruptcy, dissolution or liquidation of any Stockholder. All decisions and actions by the Stockholder Representative (to the extent authorized by this Agreement) shall be binding upon all of the Stockholders, and no Stockholder shall have the right to object, dissent, protest or otherwise contest the same.

. Indemnification.

Each Stockholder agrees that Buyer shall be entitled to rely on any action taken by the Stockholder Representative on behalf of such Stockholder pursuant to Section 10.02 above (an "Authorized Action"), and that each Authorized Action shall be binding on each Stockholder as fully as if such Stockholder had taken such Authorized Action. Buyer agrees that the Stockholder Representative, acting as the Stockholder Representative, shall have no liability to Buyer for any Authorized Action, except to the extent that such Authorized Action is found by a final order of a court of competent jurisdiction to have constituted fraud or willful misconduct. Each Stockholder hereby severally, for itself only and not jointly and severally, agrees to indemnify and hold harmless the Stockholder Representative against all expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement, actually and reasonably incurred by the Stockholder Representative in connection with any action, suit or proceeding to which the Stockholder Representative is made a party by reason of the fact it is or was acting as the Stockholder Representative pursuant to the terms of this Agreement.

. Exculpation.

The Stockholder Representative shall not have by reason of this Agreement a fiduciary relationship in respect of any Stockholder, except in respect of amounts received on behalf of such Stockholder. The Stockholder Representative shall not be liable to any Stockholder for any action taken or

omitted by it or any agent employed by it hereunder or under any other document entered into in connection herewith, except that the Stockholder Representative shall not be relieved of any liability imposed by law for fraud or bad faith. The Stockholder Representative shall not be liable to the Stockholders for any apportionment or distribution of payments made by the Stockholder Representative in good faith, and if any such apportionment or distribution is subsequently determined to have been made in error the sole recourse of any Stockholder to whom payment was due, but not made, shall be to recover from other Stockholders any payment in excess of the amount to which they are determined to have been entitled. The Stockholder Representative shall not be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement. Neither the Stockholder Representative nor any agent employed by it shall incur any liability to any Stockholder by virtue of the failure or refusal of the Stockholder Representative for any reason to consummate the transactions contemplated hereby or relating to the performance of its other duties hereunder, except for actions or omissions constituting fraud or bad faith.

ADDITIONAL COVENANTS

. Tax Matters.

(a) The Stockholders will pay, and will indemnify and hold the Buyer and the Company harmless against, any real property sale and transfer or gains Tax, stamp Tax, stock transfer Tax, or other similar Tax imposed on the Company and its Subsidiaries or one or more Stockholder as a result of the transactions contemplated by this Agreement (collectively, "Transfer Taxes"), and any penalties or interest with respect to such Transfer Taxes.

(b) The Buyer will not take any action that would cause the transactions contemplated by this Agreement to constitute part of a transaction that is the same as, or substantially similar to, the "intermediary transaction tax shelter" described in IRS Notices 2001-16 and 2008-111.

(c) The Buyer will not make any election under Code Section 338 (or any similar provision under state, local, or foreign law) with respect to the acquisition of the Company and its Subsidiaries.

(d) The Buyer shall be responsible for filing, or causing to be filed, all Tax Returns of the Company and its Subsidiaries that are filed after the Closing Date. The Buyer shall prepare all Tax Returns for Pre-Closing Tax Periods consistent with the Company's and its Subsidiaries' past practice. The Buyer shall deliver all income and other material Tax Returns for a Pre-Closing Tax Period, at least 15 fifteen days prior to filing such Tax Return, to the Stockholder Representative for its review, comment and consent (which consent shall not be unreasonably withheld, conditioned, or delayed). The Buyer shall be entitled to any Tax benefit arising out of or relating to the payment to the Optionholders arising out of the cancellation of the Options. The Stockholders and, prior to the Closing, the Company, shall take no action prior to the Closing which would prevent the Buyer and the Company from utilizing such Tax benefit. Upon reasonable request by the Buyer or the Company, the Stockholder Representative, on behalf of the Stockholders, will provide reasonable cooperation and assistance to the Company and the Buyer in connection with such income Tax Returns. For the avoidance of doubt, for purposes of calculating any Tax liability, refund, or attribute pursuant to this Agreement, the parties agree that all deductions arising out of or relating to the payment to the Optionholders shall be treated as the last items claimed for the relevant taxable period.

(e) Buyer shall not, and shall not cause or permit the Company or any of its Subsidiaries to, (i) amend any Tax Returns filed with respect to any Pre-Closing Tax Period or (ii) make any Tax election that has retroactive effect to any such Tax period, (iii) extend or waive any statute of limitation for assessment or deficiency with regard to any such Tax period, in each such case, without the prior written consent of the Stockholder Representative.

(f) Buyer, the Company and its Subsidiaries, and Stockholder Representative shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of

Tax Returns pursuant to this Section 11 and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information that are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Company and its Subsidiaries and Stockholder Representative agree (A) to retain all books and records with respect to Tax matters pertinent to the Company and its Subsidiaries relating to any taxable period beginning before the Closing Date until the expiration of the statute of limitations (and, to the extent notified by Buyer or Stockholder Representative, any extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any taxing authority, and (B) to give the other party reasonable written notice prior to transferring, destroying or discarding any such books and records and, if the other party so requests, the Company and its Subsidiaries or Stockholders, as the case may be, shall allow the other Party to take possession of such books and records.

(g) Any Tax refunds that are received by Buyer, the Company, or its Subsidiaries, and any amounts credited against Tax to which Buyer or the Company and its Subsidiaries become entitled, that relate to a Pre-Closing Tax Period, shall be for the account of Sellers, (excluding any refund or credit attributable to the deductions arising out of or relating to payments made to the Optionholders), and Buyer shall pay over to Stockholder Representative any such refund or the amount of any such credit within 15 days after receipt or entitlement thereto. A refund or credit shall be deemed to be attributable to a deduction arising out of or relating to the exercise of the Options by the Optionholders to the extent the Company or its Subsidiaries would not be entitled to an equal amount of refund or credit if the refund or credit had been calculated without regard to the deductions arising out of or relating to the exercise of the Options by the Optionholders. In addition, neither Buyer nor the Company or any of its Subsidiaries shall cause the Company or any of its Subsidiaries to elect to waive any carryback of net operating losses under Section 172(b)(3) of the Code (or any analogous or similar state, local, or non-U.S. law) on any Tax Return of the Company and its Subsidiaries to the extent such net operating losses arose in a Pre-Closing Tax Period. Buyer shall cause the Company or its Subsidiaries, as the case may be, to file on a timely basis for and use its commercially reasonable efforts to obtain and expedite the receipt of any refund to which the Sellers would be entitled under this Section 11.01(g), including the filing of any amended Tax Return that carries back net operating losses of the Company or any of its Subsidiaries that arose in a Pre-Closing Tax Period.

. Further Assurances.

From time to time, as and when requested by any party hereto and at such party's expense, any other party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as such requesting party may reasonably deem necessary or desirable to evidence and effectuate the transactions contemplated by this Agreement.

. Disclosure Generally.

All Schedules attached hereto are incorporated herein and expressly made a part of this Agreement as though completely set forth herein. Notwithstanding anything else to the contrary in this Agreement, (i) disclosure of an item on any Schedule attached hereto shall qualify all representations and warranties contained in this Agreement to the extent the applicability of such item to any other Schedule is reasonably apparent, and (ii) disclosure of an item on any Schedule shall not be an admission by the Company as to the materiality of such item. All references to this Agreement herein or in any of the Schedules shall be deemed to refer to this entire Agreement, including all Schedules and any updates thereof.

. Restrictive Covenants.

(a) From the Closing through and including the date that is five (5) years from the Closing, each Restricted Party hereby agrees, solely for himself or itself, that such Restricted Party shall not directly or indirectly (including through an Affiliate), without the prior written consent of the Buyer:

(i) solicit or cause to be solicited, or hire or cause to be hired, any individual that is an employee of the Company or its Subsidiaries as of the Closing; provided that this Section 11.04(a)(i) shall not apply to the solicitation or hiring of Roy Banks or Kyle Pexton except during such time as Roy Banks or Kyle Pexton, as applicable, is then currently employed by Buyer or one of its Affiliates on a full-time basis; provided further, that nothing in this Section 11.04(a)(i) shall prohibit such Restricted Party from (i) making any general solicitation for employees (including through the use of employment agencies) not specifically directed at employees of the Company or its Subsidiaries, (ii) hiring any such person who responds to any such general solicitation or public advertising for employment or (iii) hiring any such Person whose employment has been terminated by the Company or its Subsidiaries prior to commencement of employment discussions between such Restricted Party and such Person; or

(ii) knowingly provide, in any form, to a third party the Company's or its Subsidiaries' customer list as in existence as of the date of the Closing, or use such customer list in any manner; or

(iii) enter into any commercial relationship with any of the resellers of the Company's and its Subsidiary's products or services set forth on Exhibit F with respect to providing credit card processing.

. Exclusivity.

From and after the date of this Agreement until this Agreement is terminated pursuant to Article VIII, the Company and its Subsidiaries, the Preferred Stockholder and the Management Stockholders will not, nor will they authorize or permit any third party to, directly or indirectly, solicit, negotiate with, or provide any information, written or otherwise, to any party (other than Buyer or its Affiliates) in connection with a possible acquisition of Company, its Subsidiaries or its assets (other than sales of assets in the ordinary course of business).

. Provision Respecting Legal Representation.

Each of the parties to this Agreement hereby agrees, on its own behalf and on behalf of its directors, members, partners, officers, employees and Affiliates, that Kirkland & Ellis LLP may serve as counsel to each and any Stockholder, Optionholder and their respective Affiliates (individually and collectively, the "Stockholder Group"), on the one hand, and (prior to Closing) the Company and its Subsidiaries, on the other hand, in connection with the negotiation, preparation, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and that, following consummation of the transactions contemplated hereby, Kirkland & Ellis LLP (or any successor) may serve as counsel to the Stockholder Group or any director, member, partner, officer, employee or Affiliate of the Stockholder Group, in connection with any litigation, claim or obligation arising out of or relating to this Agreement or the transactions contemplated by this Agreement notwithstanding such representation and each of the parties hereto hereby consents thereto and waives any conflict of interest arising therefrom, and each of such parties shall cause any Affiliate thereof to consent to waive any conflict of interest arising from such representation. The Buyer and the Company hereby agree that, in the event that a dispute arises after the Closing between the Buyer and the Stockholder Representative, Kirkland & Ellis LLP may represent the Stockholder Representative in such dispute even though the interests of the Stockholder Representative may be directly adverse to Buyer, the Company or any of its Subsidiaries, and even though Kirkland & Ellis LLP may have represented the Company or any of its Subsidiaries in a matter substantially related to such dispute, or may be handling ongoing matters for Buyer, the Company or any of their Subsidiaries. Buyer further agrees that, as to all communications among Kirkland & Ellis LLP, the Company, any of its Subsidiaries and the Stockholder Representative that relate in any way to the transactions contemplated by this Agreement, the attorney-client privilege and the expectation of client confidence belongs to the Stockholder Representative and may be controlled by the Stockholder Representative and shall not pass to or be claimed by Buyer, the Company or any of their Subsidiaries. Notwithstanding the foregoing, in the event that a dispute arises between the Buyer, the

Company or any of their Subsidiaries and a third party other than a party to this Agreement after the Closing, the Company and the Subsidiaries may assert the attorney-client privilege to prevent disclosure of confidential communications by Kirkland & Ellis LLP to such third party or waive such privilege (unless it is a dispute for which the Buyer is seeking indemnification under this Agreement, in which case neither the Company nor any of its Subsidiaries may waive such privilege without the prior written consent of the Stockholder Representative).

DEFINITIONS

. Definitions.

For purposes hereof, the following terms when used herein shall have the respective meanings set forth below:

"Affiliate" of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, contract or otherwise.

"Aggregate Exercise Price" means the product of the number of vested and exercisable Options on the Closing Date, including for the avoidance of doubt any Options that are accelerated in accordance with Section 6.01(b)(iii), multiplied by the applicable exercise prices for all such Options.

"Cash" means, with respect to the Company and its Subsidiaries, as of the close of business on the day immediately preceding the Closing Date, all cash, cash equivalents and marketable securities held by the Company or any of its Subsidiaries at such time, determined in accordance with GAAP, but not including Restricted Cash. For avoidance of doubt, Cash shall (1) be calculated net of issued but uncleared checks and drafts and (2) include checks and drafts deposited for the account of the Company and its Subsidiaries but not yet posted.

"Class A Preferred Amount" means the amount that is the result of the aggregate number of shares of Preferred Stock outstanding as of the Closing multiplied by the Class A Preferred Per Share Price.

"Class A Preferred Per Share Price" means the amount per share to which a holder of Preferred Stock would be entitled to receive pursuant to the terms of the Company's Restated Certificate of Incorporation upon a liquidation of the Company.

"Closing Indebtedness" means the outstanding balance of Indebtedness of the Company as of immediately prior to the Closing.

"Closing Indebtedness Amount" means the amount of Closing Indebtedness.

"Common Percentage" means the percentage equal to (a) in the case of a Stockholder, the number of shares of Common Stock held by such Stockholder, and in the case of an Optionholder holding vested and exercisable Options as of the Closing, the number of shares of Common Stock underlying the vested and exercisable portion of such Option, divided by (b) the sum of (i) the total number of shares of Common Stock issued and outstanding immediately prior to Closing, plus (ii) the number of shares of Common Stock underlying Options that are vested and exercisable as of the Closing.

"Control" exists when a Person owns beneficially, directly or indirectly, more than 50% of another Person's outstanding voting securities or where a Person (other than any regulatory authority) has

the ability to direct or cause the direction of the management and policies of another Person, whether through the ownership of voting securities, by contract, or otherwise.

"Dispute Resolution Arbiter" means Duff & Phelps Corp. or, if not available, another nationally recognized consulting or valuation firm with expertise in financial analysis mutually and reasonably satisfactory to the Buyer and the Stockholder Representative. If the Buyer and the Stockholder Representative are unable to agree on the choice of a consulting or valuation firm with expertise in financial analysis, they will select a nationally or regionally recognized consulting or valuation firm with expertise in financial analysis by lot after each of the Buyer and the Stockholder Representative have submitted two proposed firms, and then excluded one firm selected by the other.

"Equityholder Net Proceeds" means the total dollars received by a Stockholder for its Shares or an Optionholder for his Options, as applicable, pursuant to this Agreement, including his or its share of the Holdback Amount and the Escrow Amount.

"Fundamental Representations" means the representations and warranties set forth in Section 3.01 (Authority), Section 3.02 (Execution and Delivery), Section 3.04 (Ownership of Capital Stock), Section 4.01 (Organization and Corporate Power), the first, second and last sentences of Section 4.03 (Authorization), Section 4.04 (Capital Stock), Section 5.01 (Organization and Corporate Power) and Section 5.02 (Authorization).

"GAAP" means United States generally accepted accounting principles.

"Indebtedness" means, with respect to the Company and/or any of its Subsidiaries, without duplication: (i) the unpaid principal amount of, and accrued interest on, all indebtedness for borrowed money of such Person, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments or debt securities, (iii) all unreimbursed obligations in respect of letters of credit and bankers' acceptances issued for the account of such Person that have been drawn, (iv) all guaranties of such Person in connection with clauses (i), (ii) or (iii) above, (v) all capital lease obligations of such Person, and (v) all prepayment penalties, premiums or fees required to be paid in connection with the prepayment of any of the foregoing.

"Labor Claims" means claims, investigations, charges, citations, hearings, consent decrees, or litigation concerning: wages, compensation, bonuses, commissions, or payroll deductions; equal employment or human rights violations regarding race, color, religion, sex, national origin, age, disability, veteran's status, marital status, genetic information, or any other protected class, status, or attribute under any federal, state, or local equal employment law prohibiting discrimination; representation petitions or unfair labor practices; grievances or arbitrations pursuant to current or expired collective bargaining agreements; occupational safety and health; workers' compensation; wrongful termination or negligent hiring; immigration or any other claim based on the employment relationship or termination of the employment relationship.

"Liens" means liens, security interests, charges or encumbrances.

"Material Adverse Effect" means any change, effect or event that is materially adverse to the financial condition or results of operations of the Company and its Subsidiaries taken as a whole; provided, however, that none of the following shall be deemed, either alone or in combination, to constitute, and none of the following shall be taken into account in determining whether there has been or will be, a Material Adverse Effect: any change, effect or event attributable to (i) the announcement or pendency of the transactions contemplated by this Agreement; (ii) conditions affecting the industry in which the Company and its

Subsidiaries participate, the U.S. economy or U.S. capital markets; (iii) compliance with the terms of, or the taking of any action contemplated by, this Agreement; (iv) actions required to be taken under applicable laws, laws or regulations; (v) any change in GAAP or other accounting requirements or principles; or (vi) the commencement, continuation or escalation of a war, material armed hostilities or other material international or national calamity or act of terrorism directly or indirectly involving the United States of America.

"Net Working Capital" means (as finally determined under Section 1.05) (i) all current assets (excluding Cash and deferred tax assets) of the Company and its Subsidiaries on a consolidated basis as of the close of business on the day immediately prior to the Closing Date as reported by the Company using accounting policies and procedures consistent with the Latest Balance Sheet minus (ii) all current liabilities (excluding Indebtedness, deferred tax liabilities and Transaction Expenses) of the Company and its Subsidiaries on a consolidated basis as of the close of business on the day immediately prior to the Closing Date as reported by the Company using accounting policies and procedures consistent with the Latest Balance Sheet. Notwithstanding any provision of this Agreement to the contrary, the calculation of Tax assets and Tax liabilities in Net Working Capital shall include all deductions and credits attributable to all payments made pursuant to this Agreement (other than payments made to Optionholders) and payments made by the Company and its Subsidiaries in connection with the transactions contemplated by this Agreement, including, for example the Transaction Expenses.

"Permitted Liens" means (i) statutory Liens for current Taxes or other governmental charges not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings by the Company and its Subsidiaries; (ii) mechanics', carriers', bailees', materialmen's, workers', repairers' and similar Liens arising or incurred in the ordinary course of business for amounts which are not overdue for a period of more than ninety (90) days and which are not, individually or in the aggregate, significant or which are being contested in good faith by appropriate proceedings by the Company and its Subsidiaries; (iii) zoning, entitlement, building and other land use regulations imposed by governmental agencies having jurisdiction over the Leased Real Property which are not violated by the current use and operation of the Leased Real Property; (iv) covenants, conditions, restrictions, easements and other encumbrances affecting title to the Leased Real Property which do not materially impair the use of the Leased Real Property for the purposes for which it is currently used in connection with the Company's and its Subsidiaries' businesses; (v) public roads and highways; (vi) Liens encumbering customary deposit accounts or brokerage accounts incurred in the ordinary course of business; (vii) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual or warranty requirements, including rights of setoff; (viii) pledges, deposits or insurance in the ordinary course of business arising under worker's compensation, unemployment insurance, social security, retirement and similar legislation or to secure public or statutory obligations; (ix) purchase money Liens and Liens securing rental payments under capital lease arrangements; and (x) licenses of, and restrictions under licenses or other agreements relating to, Intellectual Property (including any licenses granted to the Company's customers in the ordinary course of business with respect to the Company's commercially available products and services).

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a governmental entity or any department, agency or political subdivision thereof.

"Pre-Closing Tax Period" means any taxable period ending on or before the Closing Date and the portion through the end of the Closing Date for any taxable period that includes (but does not end on) the Closing Date.

"Purchase Price Components" means Cash, the Closing Indebtedness Amount and Net Working Capital.

"Restricted Cash" means funds held on behalf of electronic check merchants by the Company. The parties agree that as of the date of this Agreement the amount of Restricted Cash is less than $100,000.

"Restricted Party" means each of the Stockholders, Banks, Brown, Cortopassi and Pexton, together with their respective Affiliates; provided that for purposes of this definition and Section 11.04, Affiliates of the Stockholders shall include only those Persons over which the Stockholders, individually or collectively, have Control.

"Schedules" means the disclosure schedules attached to this Agreement.

"Subsidiary" means, with respect to any Person, any corporation of which a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof, or any partnership, association or other business entity of which a majority of the partnership or other similar ownership interest is at the time owned or controlled, directly or indirectly, by such Person or one or more Subsidiaries of such Person or a combination thereof. For purposes of this definition, a Person is deemed to have a majority ownership interest in a partnership, association or other business entity if such Person is allocated a majority of the gains or losses of such partnership, association or other business entity or is or controls the managing director or general partner of such partnership, association or other business entity.

"Tax" or "Taxes" means any federal, state, local or foreign income, gross receipts, franchise, alternative minimum, add-on minimum, sales, use, transfer, value added, excise, stamp, occupation, real property, personal property, capital stock, social security, unemployment, disability, license, employment, severance, premium, windfall profits, environmental, customs duties, profits, withholding, registration, escheat or payroll tax including any interest, penalties or additions to tax or additional amounts in respect of the foregoing.

"Tax Returns" means any return, report, information return or other document (including schedules or any related or supporting information) filed with any governmental entity in connection with the determination, assessment or collection of any Tax.

"Total Proceeds" means the sum of all Equityholder Net Proceeds.

"Transaction Expenses" means all fees and expenses of the Company incurred in connection with the negotiation and execution of this Agreement and the consummation of the transactions contemplated hereby (including any change of control, success, retention or similar bonus payable to any employee or other service provider based on the consummation of the transactions contemplated by this Agreement, as set forth on Schedule 4.03) that are unpaid as of the Closing and of which the Buyer has notice as of the Closing. Any such fees and expenses incurred by the Stockholders either after the Closing or of which the Buyer is not notified as of the Closing shall not be considered Transaction Expenses and the Buyer shall have no responsibility for such fees and expenses.

"Undiluted Common Percentage" with respect to any Stockholder shall mean the result of the number of outstanding shares of Common Stock held by such Stockholder divided by the total number of outstanding shares of Common Stock as of the Closing.

. Other Definitional Provisions/

(a) Accounting Terms. Accounting terms which are not otherwise defined in this Agreement shall have the meanings given to them under GAAP. To the extent that the definition of an

accounting term defined in this Agreement is inconsistent with the meaning of such term under GAAP, the definition set forth in this Agreement will control.

(b) Successor Laws. Any reference to any particular Code section or any other law or regulation will be interpreted to include any revision of or successor to that section regardless of how it is numbered or classified.

. Cross-Reference of Other Definitions.

Each capitalized term listed below is defined in the corresponding Section of this Agreement:

Term	**Section No.**
Agreement	Preface
Antitrust Division	7.05
Authorized Action	10.03
Banks	Preface
Buyer	Preface
Buyer Indemnified Parties	9.02(a)
Cap	9.02(b)
Closing	1.07
Closing Balance Sheet	1.05
Closing Date	1.07
Code	4.13(a)
Common Stock	Preface
Company	Preface
Company Charter Documents	4.02
Continuing Employees	7.04
Deductible	9.02(a)
DOL	4.18(c)
Electronic Delivery	13.16
Equityholder	9.02(a)
Equityholder Indemnified Parties	9.03
Environmental and Safety Requirements	4.16(a)
ERISA	4.13(a)
Escrow Account	1.04(f)
Escrow Agent	1.04(f)
Escrow Agreement	1.04(f)
Escrow Amount	1.04(f)
Escrow Release Date	9.02(e)
Estimated Closing Balance Sheet	1.03(b)
Excluded Matters	9.02(a)
Financial Statements	4.05
First Data	4.09(f)
FTC	7.05
Holdback Amount	1.04(e)
HSR Act	4.12
Immigration Laws	4.18(d)
Indemnitee	9.05
Indemnitor	9.05
Intellectual Property	4.10(a)
Latest Balance Sheet	4.05
Leased Real Property	4.07(b)
Losses	9.02(a)
Mini-Basket	9.02(a)
Objections Statement	1.05

Options	Recitals
Optionholder	Recitals
Outstanding Escrow Claims	9.02(e)
Pexton	Preface
Plans	4.13(a)
Preferred Stock	Preface
Preliminary Closing Statement	1.05
Preliminary Purchase Price	1.03(b)
Purchase Price	1.03(a)
Shares	Recitals
Stockholders	Preface
Stockholder Group	11.06
Stockholder Representative	Preface
Systems	4.10(e)
Tax Benefit	9.06
Transfer Taxes	11.01(a)
WARN Act	4.18(e)

MISCELLANEOUS

. Acknowledgment of Buyer.

The Buyer acknowledges that it has (i) conducted to its satisfaction an independent investigation and verification of the financial condition, results of operations, assets, liabilities, properties and projected operations of the Company and its Subsidiaries, and (ii) relied on the representations and warranties of the Company and Stockholders expressly and specifically set forth in this Agreement, including the Schedules (and updated Schedules) in making its determination to proceed with the transactions contemplated by this Agreement. Such representations and warranties by the Company and the Stockholders constitute the sole and exclusive representations and warranties of the Company and the Stockholders to the Buyer in connection with the transactions contemplated hereby, and the Buyer understands, acknowledges and agrees that all other representations and warranties of any kind or nature, expressed or implied (including, but not limited to, any relating to the future or historical financial condition, results of operations, assets or liabilities of the Company, or the quality, quantity or condition of the Company's or its Subsidiaries' assets), are specifically disclaimed by the Company and the Stockholders and are not being relied on by the Buyer. The Company and the Stockholders do not make or provide, and the Buyer hereby waives, any warranty or representation, express or implied, as to the quality, merchantability, as for a particular purpose, or condition of the Company's and its Subsidiaries' assets or any part thereto. In connection with the Buyer's investigation of the Company and its Subsidiaries, the Buyer has received certain projections, including projected statements of operating revenues and income from operations of the Company and its Subsidiaries and certain business plan information. The Buyer acknowledges that there are uncertainties inherent in attempting to make such estimates, projections and other forecasts and plans, that the Buyer is familiar with such uncertainties and that the Buyer is taking full responsibility for making its own evaluation of the adequacy and accuracy of all estimates, projections and other forecasts and plans so furnished to it, including the reasonableness of the assumptions underlying such estimates, projections and forecasts. Accordingly, the Buyer hereby acknowledges that none of the Company, the Subsidiaries or the Stockholders are making any representation or warranty with respect to such estimates, projections and other forecasts and plans, including the reasonableness of the assumptions underlying such estimates, projections and forecasts, and the Buyer hereby disclaims any reliance on such estimates, projections and other forecasts and plans.

. Press Releases and Communications.

No press release or public announcement related to this Agreement or the transactions contemplated herein, or prior to the Closing any other announcement or communication to the employees, customers or suppliers of the Company or any of its Subsidiaries, shall be issued or made by any party hereto without the joint approval of the Buyer and the Stockholder Representative, unless required by law (in the reasonable opinion of counsel), in which case the Buyer and the Stockholder Representative shall have the right to review such press release, announcement or communication prior to issuance, distribution or publication. Notwithstanding the foregoing, (i) the Buyer shall be entitled to discuss the transactions contemplated by this Agreement with investors and analysts in the ordinary course of its business and (ii) the Stockholders shall be entitled to discuss the transactions contemplated by this Agreement (A) for fund raising and marketing purposes and (B) with their limited partners regarding its investment in the Company or to fulfill its ongoing reporting and disclosure obligations to its limited partners in the ordinary course of business.

. Expenses.

Except as otherwise expressly provided herein, the Stockholders, on the one hand, and the Buyer on the other hand, shall pay all of their own expenses (including attorneys' and accountants' fees and expenses) in connection with the negotiation of this Agreement, the performance of their obligations hereunder and the consummation of the transactions contemplated by this Agreement; provided that the Stockholders and Optionholders shall bear all Transaction Expenses of the Company, which the Buyer shall pay on behalf of the Stockholders, Optionholders and/or the Company as provided in Section 1.04(d).

. Knowledge Defined.

For purposes of this Agreement, “the Company's knowledge” as used herein shall mean the actual knowledge, after reasonable inquiry, of Roy Banks, Kyle Pexton, Terry Fund, Justin Brown, Julie Counterman, Robert Cortopassi and Robyn Thompson.

. Specific Performance.

Each party hereto acknowledges and agrees that the other parties hereto may be damaged irreparably in the event that any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, each party hereto agrees that the other parties hereto may be entitled, in addition to other rights or remedies existing in their favor, to injunctive or other relief to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof, in each case without the requirement of posting a bond or proving actual damages (which requirements the other parties shall waive).

. Notices.

All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (a) when personally delivered, (b) when transmitted via telecopy (or other facsimile device) to the number set out below if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), (c) the day following the day (except if not a business day then the next business day) on which the same has been delivered prepaid to a reputable national overnight air courier service or (d) the third business day following the day on which the same is sent by certified or registered mail, postage prepaid. Notices, demands and communications, in each case to the respective parties, shall be sent to the applicable address set forth below, unless another address has been previously specified in writing:

Notices to the Buyer:

Global Payments Inc.
10 Glenlake Parkway, North Tower
Atlanta, Georgia 30328
Facsimile: (770) 829-8265
Attention: Corporate Secretary

Notices to the Stockholder Representative:

Great Hill Equity Partners IV, L.P.

One Liberty Square

Boston, MA 02109

Attn: Matthew Vettel

Christopher Busby

Facsimile: (617) 790-9401

with a copy to:

Kirkland & Ellis LLP

300 North LaSalle

Chicago, Illinois 60654

Attn: Michael D. Paley, P.C.

Facsimile: (312) 862-2200

Notices to the Company:

Vegas Holding Corp.
c/o Accelerated Payment
2436 West 700 South
Pleasant Grove, UT 84062
Attention: Chief Executive Officer
Facsimile:

with a copy to:

Kirkland & Ellis LLP

300 North LaSalle

Chicago, Illinois 60654

Attn: Michael D. Paley, P.C.

Facsimile: (312) 862-2200

. Assignment.

This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, except that neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned or delegated by the Buyer, any Stockholder or the Stockholder Representative without the prior written consent of the other parties hereto.

. Severability.

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

. References.

The table of contents and the section and other headings and subheadings contained in this Agreement and the exhibits hereto are solely for the purpose of reference, are not part of the agreement of the parties hereto, and shall not in any way affect the meaning or interpretation of this Agreement or any exhibit hereto. All references to days or months shall be deemed references to calendar days or months. All references to "$" shall be deemed references to United States dollars. Unless the context otherwise requires, any reference to a "Section," "Exhibit" or "Schedule" shall be deemed to refer to a section of this Agreement, exhibit to this Agreement or a schedule to this Agreement, as applicable. The words "hereof," "herein" and "hereunder" and words of similar import referring to this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. The use of the word "including" herein shall mean "including without limitation". Where applicable, references to the "Company" shall be deemed to also reference the Company's Subsidiaries.

. Construction.

The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any Person. The specification of any dollar amount or the inclusion of any item in the representations and warranties contained in this Agreement or the Schedules or Exhibits attached hereto is not intended to imply that the amounts, or higher or lower amounts, or the items so included, or other items, are or are not required to be disclosed (including whether such amounts or items are required to be disclosed as material or threatened) or are within or outside of the ordinary course of business, and no party shall use the fact of the setting of the amounts or the fact of the inclusion of any item in this Agreement or the Schedules or Exhibits in any dispute or controversy between the parties as to whether any obligation, item or matter not described or included in this Agreement or in any Schedule or Exhibit is or is not required to be disclosed (including whether the amount or items are required to be disclosed as material or threatened) or is within or outside of the ordinary of business for purposes of this Agreement. The information contained in this Agreement and in the Schedules and Exhibits hereto is disclosed solely for purposes of this Agreement, and no information contained herein or therein shall be deemed to be an admission by any party hereto to any third party of any matter whatsoever (including any violation of law or breach of contract).

. Amendment and Waiver.

Any provision of this Agreement or the Schedules (except as contemplated by Section 6.05) or Exhibits hereto may be amended only in a writing signed by the Buyer, the Company and the Stockholder Representative and may be waived only in a writing signed by the party against whom such waiver is to be enforced (it being understood that any waiver signed by the Stockholder Representative will be effective against the Stockholders and the Company). No waiver of any provision hereunder or any breach or default thereof shall extend to or affect in any way any other provision or prior or subsequent breach or default.

. Complete Agreement.

This Agreement and the documents referred to herein (including the Confidentiality Agreement) contain the complete agreement between the parties hereto and supersede any prior understandings, agreements or representations by or between the parties, written or oral, which may have related to the subject matter hereof in any way (including any letter of intent).

. Third-Party Beneficiaries.

Except as otherwise expressly provided herein (including in Section 7.03), nothing expressed or referred to in this Agreement will be construed to give any Person other than the parties to this Agreement any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement.

. Waiver of Trial by Jury.

THE PARTIES HERETO WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING UNDER THIS AGREEMENT OR ANY ACTION OR PROCEEDING ARISING OUT OF THE TRANSACTIONS CONTEMPLATED HEREBY, REGARDLESS OF WHICH PARTY INITIATES SUCH ACTION OR PROCEEDING.

. Buyer Deliveries.

The Buyer agrees and acknowledges that all documents or other items made available to the Buyer's representatives shall be deemed to be made available to the Buyer for all purposes hereunder.

. Electronic Delivery.

This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, to the extent delivered by means of a facsimile machine or electronic mail (any such delivery, an "Electronic Delivery"), shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each such party forever waives any such defense, except to the extent such defense related to lack of authenticity.

. Counterparts.

This Agreement may be executed in multiple counterparts, any one of which need not contain the signature of more than one party, but all such counterparts taken together shall constitute one and the same instrument.

. Governing Law.

All issues and questions concerning the construction, validity, interpretation and enforceability of this Agreement and the exhibits and schedules hereto shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

. Jurisdiction; Service of Process.

Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement or the transactions contemplated thereby may be brought against any of the parties only in the courts of Delaware, and each of the parties hereto consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on any party anywhere in the world.

. Prevailing Party.

In the event of a dispute between the parties hereto with respect to this Agreement, the prevailing party in any action or proceeding in any court or arbitration in connection therewith shall be entitled to recover from the other party its out-of-pocket costs and expenses incurred in connection with such action or proceeding, including reasonable legal fees and associated court costs.

* * * *

IN WITNESS WHEREOF, the parties hereto have executed this Stock Purchase Agreement on the day and year first above written.

COMPANY:

VEGAS HOLDING CORP.

By: /s/ Roy Banks
Name: Roy Banks
Its: President, Chief Executive Officer and Secretary

BUYER:

Global Payments Inc.

By: /s/ Jeffrey Sloan
Name: Jeffrey Sloan
Its: President

STOCKHOLDER REPRESENTATIVE: in its capacity as Stockholder Representative hereunder

GREAT HILL EQUITY PARTNERS IV, L.P.
By: Great Hill Partners GP IV, LP
Its: General Partner

By: GHP IV, LLC
Its: General Partner

By: /s/ Matthew T. Vettel
Name: Matthew T. Vettel
Its: Manager

GREAT HILL EQUITY PARTNERS IV, L.P.
By: Great Hill Partners GP IV, LP
Its: General Partner

By: GHP IV, LLC
Its: General Partner

By: /s/ Matthew T. Vettel
Name: Matthew T. Vettel
Its: Manager

GREAT HILL EQUITY PARTNERS III, L.P.
By: Great Hill Partners GP III, LP
Its: General Partner

By: GHP III, LLC
Its: General Partner

By: /s/ Matthew T. Vettel
Name: Matthew T. Vettel
Its: Manager

GREAT HILL INVESTORS, LLC

By: /s/ Matthew T. Vettel
Name: Matthew T. Vettel
Its: Manager

For purposes of Section 11.04:

By: /s/ **Roy Banks**

Name: **Roy Banks**

By: /s/ **Kyle Pexton**

Name: **Kyle Pexton**

By: /s/ **Justin Brown**

Name: **Justin Brown**

By: /s/ **Robert Cortopassi**

Name: **Robert Cortopassi**

Dated 26 July 2012

The Hongkong and Shanghai Banking Corporation Limited

and

Global Payments Acquisition PS 2 C.V.

AGREEMENT

relating to the sale and purchase of
44% of the entire issued share capital of
Global Payments Asia-Pacific Limited (□ô□□È□Ó□³□□½□q)

CONTENTS

Clause Page

THIS AGREEMENT is dated 26 July 2012 and made between:

(1) **The Hongkong and Shanghai Banking Corporation Limited**, a company organized under the laws of Hong Kong (the **"Seller"**); and

(2) **Global Payments Acquisition PS 2 C.V.**, a limited partnership formed under the laws of the Netherlands (the **"Purchaser"**).

WHEREAS the Purchaser wishes to acquire and the Seller wishes to sell to the Purchaser the Sale Shares, which represent 44% of the entire issued share capital in the Company as at the date of this Agreement, subject and in accordance with the terms and conditions of this Agreement.

BY WHICH IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Defined Terms

In this Agreement unless the context requires otherwise:

"Affiliate" or **"Affiliates"** with respect to a specified person, means a person that, directly or indirectly, Controls, is Controlled by, or is under common Control with, the person specified provided that, in the case of the Seller for the purposes of this Agreement except for Clause 3.4, an Affiliate of the Seller means such person which is engaged in the Merchant Acquiring Business or performs any activities in connection with the Merchant Acquiring Business;

"Anti-Bribery Laws" is defined in Clause 22.1;

"Business Day" means any day other than a Saturday, Sunday or any day on which the banking institutions located in Atlanta, Georgia and Hong Kong are authorized by law or other governmental action to be closed;

"Commercial Documents" means the various agreements entered into by (i) the Seller and/or its Affiliates and (ii) the Purchaser and/or its Affiliates in 2006 and 2008 in connection with the initial sale by the Seller of 56% of the entire issued share capital of the Company to the Purchaser, and reference to a **"Commercial Document"** includes any and all side letters signed or accepted by applicable parties in connection with that Commercial Document;

"Commercial Principles" are set forth in Schedule 1;

"Companies Ordinance" means the Companies Ordinance (Chapter 32, as amended, of the laws of Hong Kong);

"Company" means Global Payments Asia-Pacific Limited (□ô□□È□Ó□³□□½□q), a company established under the laws of Hong Kong, with registration No. 1006888;

"Completion" means completion of the sale and purchase of the Sale Shares in accordance with Clause 5;

"Completion Date" means the date on which Completion takes place;

"Conditions" means the conditions set out in Clause 4.1;

"Consideration" means the consideration to be paid by the Purchaser to the Seller for the Sale Shares, specified in Clause 3.1;

"Control" exists when a person owns beneficially, directly or indirectly, more than 50% of another person's issued voting securities or where a person (other than any regulatory authority) has the ability to direct or cause the direction of the management and policies of another person, whether through the ownership of voting securities, by contract, or otherwise, and **"Controlled"** and **"Controlling"** shall be construed accordingly;

"Disclosed" means any disclosure in writing with specific reference to this Agreement by a Party to the other Party prior to Completion;

"Encumbrance" means a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect and any agreement or obligation to create or grant any of the aforesaid other than any right or arrangement of aforesaid nature granted in favour of the Purchaser or its Affiliates;

"Global" means GPN and/or its Affiliates;

"Governmental Entity" means (i) any multinational, federal, provincial, state, municipal, local or other governmental, regulatory or public department, central bank, court, commission, board, bureau, agency or instrumentality, whether domestic or foreign, (ii) any subdivision or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above;

"GPN" means Global Payments Inc., a company organized under the laws of the State of Georgia, United States of America;

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China;

"Implementation Committee" is defined in Clause 2.2(b);

"Key Commercial Terms" are set forth in Schedule 2;

"Law" means all applicable laws including all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgements, orders, decisions, rulings or awards, guidelines, standards, policies or procedures enacted by a Governmental Entity or pursuant to statutory authority or requirement and general principles of common or civil law and equity, binding on the person referred to in the context in which the word is used;

"Longstop Date" is defined in Clause 4.1;

"Merchant Acquiring Business" means the merchant acquiring business of the Company and/or its subsidiaries in the Relevant Jurisdictions as at the date of this Agreement;

"New Commercial Documents" means the agreements and other documents entered into by (i) the Seller and/or its Affiliates or (ii) the Purchaser and/or its Affiliates pursuant to Clause 2.2(b) of this Agreement, including restated Commercial Documents and agreements entered into to effect amendments to the Commercial Documents. The New Commercial Documents are those identified in Schedule 9, and any other documents agreed in writing by the Parties before Completion to be New Commercial Documents;

"Party" means a Party to this Agreement;

"Relevant Jurisdictions" means Brunei, China, Hong Kong, India, Macau, Malaysia, Maldives, Philippines, Singapore, Sri Lanka and Taiwan;

"Sale Shares" means 61,651,740 Shares to be sold to the Purchaser pursuant to this Agreement, being 44% of the entire issued share capital of the Company held by the Seller;

"Shares" means issued ordinary Shares of US$1.00 each in the capital of the Company;

"Stamp Duty Ordinance" means the Stamp Duty Ordinance (Chapter 117, as amended, of the laws of Hong Kong);

"Tax" and **"Taxation"** means all forms of taxation including any charge, tax (including corporate tax, income or otherwise), duty, levy, impost, withholding or liability wherever chargeable imposed for support of national, state, federal, municipal or local government or any other Governmental Entity in Hong Kong or elsewhere, and any penalty, fine, surcharge, interest, charges or costs payable in connection with any of the foregoing;

"US$" means United States Dollars; and

"Warranties" means, with respect to those given by the Seller, the representations, warranties and undertakings set out in Schedule 3 and, with respect to those given by the Purchaser, the representations, warranties and undertakings set out in Schedule 4, and **"Seller Warranties"** and **"Purchaser Warranties"** shall be construed accordingly.

1.2 **Construction of References**

In this Agreement, unless the context requires otherwise, any reference:

(a) to a Clause or Schedule is a reference to a Clause of or a Schedule to this Agreement;

(b) to this Agreement, any other document or any provision of this Agreement or that document is a reference to this Agreement, that document or that provision as in force for the time being or from time to time amended in accordance with the terms of this Agreement or that document;

(c) to a person includes an individual, a body corporate, a partnership, any other unincorporated body or association of persons and any state or state agency;

(d) to a **"subsidiary"** or **"holding company"** is to be construed in accordance with section 2 of the Companies Ordinance;

(e) to a time of day is a reference to the time in Hong Kong, unless expressly indicated otherwise;

(f) to an enactment includes that enactment as it may be amended, replaced or re-enacted at any time, whether before or after the date of this Agreement, and any subordinate legislation made under it;

(g) to an **"agreement"** includes any document or deed, an arrangement and any other kind of commitment; and

(h) to a **"right"** includes a power, a remedy and discretion.

1.3 **Interpretation**

In this Agreement, unless the context otherwise requires:

(a) words importing the plural include the singular and vice versa;

(b) words importing a gender include every gender; and

(c) the words **"other"**, **"including"** and **"in particular"** do not limit the generality of any preceding words and are not to be construed as being limited to the same class as the preceding words where a wider construction is possible.

1.4 **Headings and Contents**

The headings and the tables of contents in this Agreement do not affect its interpretation.

1.5 **Schedules**

This Agreement includes its Schedules and any reference to a paragraph is a reference to the paragraph of the relevant Schedule.

2. SALE AND PURCHASE; IMPLEMENTATION COMMITTEE

2.1 **Sale and Purchase**

The Seller shall sell the Sale Shares free from all Encumbrances and the Purchaser shall purchase the Sale Shares with effect from Completion.

2.2 **Implementation Committee**

(a) The Parties shall work together in good faith from the date of this Agreement up to and including Completion to plan for the implementation of the transactions contemplated by this Agreement, including negotiating and agreeing on the New Commercial Documents in a manner that is consistent with the Commercial Principles and the Key Commercial Terms.

(b) As soon as practicable after the date of this Agreement, the Parties shall constitute an implementation committee to oversee and manage the matters referred to in Clause 2.2(a) (the **"Implementation Committee"**). The Implementation Committee shall consist of an equal number of nominees from each of the Parties (as notified to the other Party in writing from time to time).

(c) The Parties acknowledge and agree that the Implementation Committee will be the forum through which the Parties will work together to plan and implement the transactions contemplated by this Agreement.

(d) From the date of this Agreement, the Parties shall use reasonable endeavours to ensure that the Implementation Committee seeks, in good faith, to negotiate to agree, within thirty (30) days after the date of this Agreement, the New Commercial Documents incorporating any variations, amendments or waivers to the terms of the Commercial Documents in a manner consistent with the Commercial Principles and the Key Commercial Terms and taking into account all Laws applicable from time to time to (i) any of the Parties and their respective Affiliates, (ii) the Merchant Acquiring Business and/or (iii) the activities and transactions contemplated by the New Commercial Documents.

(e) The Implementation Committee may, from time to time, in furtherance of its planning and implementation function as described in this Clause 2.2, agree on how the terms of this Agreement shall be applied in negotiating the New Commercial Documents.

(f) If a dispute or difference of opinion arises in relation to any of the matters referred to in Clause 2.2(a) and the members of the Implementation Committee are unable to resolve that dispute or difference of opinion within a reasonable period, then either Party may issue a written notice to the other Party requiring that the dispute or difference of opinion be referred, in the case of the Seller, to Richard Harvey and, in the case of the Purchaser, to David Mangum. If a dispute or difference of opinion is so referred, each Party shall procure that its representative negotiates in good faith to resolve the dispute or difference of opinion within a period of 20 Business Days.

3. CONSIDERATION

3.1 Consideration

(a) The Consideration is the sum of US$242 million ($242,000,000.00), which shall be payable by the Purchaser to the Seller or to its order at Completion.

(b) The Seller shall be entitled to dividends as a shareholder of the Company up to Completion. The Purchaser shall deliver a copy of the audited accounts for the financial year ended 31 May 2012 of the Company to the Seller within 10 Business Days after they are available. The Purchaser shall pay or procure payment to the Seller, within 90 days after delivery of the copy of audited accounts, an amount equal to 44% of the amount of dividends for the period of time in which the Seller was a shareholder of the Company that could have been paid by applying the criteria and factors in a manner consistent with the preceding financial year, subject to a cap of US$100 million.

3.2 Default Interest

If a Party fails to pay any sum due and payable by it under this Agreement on the due date of payment under this Agreement, such defaulting Party will pay interest at the rate of two per cent per annum above the best lending rate of The Hongkong and Shanghai Banking Corporation Limited in US$ from time to time (whether before or after judgement) on the outstanding sum from the due date of payment until the actual date of payment.

3.3 **Form of Payment**

Payment of the Consideration by the Purchaser to the Seller will be made by banker's draft drawn on a bank in Hong Kong or by telegraphic transfer in immediately available funds in US$ to the account notified by or on behalf of the Seller to the Purchaser not later than two Business Days before the due date of payment or by such other method as the Purchaser and the Seller agree in writing.

3.4 **Source of Funds**

The Purchaser may fund the Consideration from either (a) existing credit facilities granted by the Seller and/or its Affiliates exclusively or (b) credit facilities in which the Seller and/or its Affiliates participate with third parties, provided that none of the Company and its subsidiaries has provided any guarantee, collateral or security of any kind in respect of such existing credit facilities and provided further that the (i) total amount utilised by the Purchaser in such existing credit facilities granted exclusively by the Seller and its Affiliates and (ii) total amount of the participation of the Seller and its Affiliates in such existing credit facilities which involve third parties does not exceed 10% of the Consideration. The Purchaser shall not fund the Consideration from any new financing arrangements granted or made available or to be granted or made available by the Seller and/or any of its Affiliates to the Purchaser and/or its Affiliates.

4. **CONDITIONS**

4.1 **Conditions Precedent**

Completion is conditional upon the following conditions being satisfied on or before 5:00 pm Hong Kong time on the last day of a 12-month period commencing from the date of this Agreement (the **"Longstop Date"**):

(a) the execution and delivery of the New Commercial Documents by the Parties and/or their relevant Affiliates who are parties to such New Commercial Documents;

(b) the obtaining in terms reasonably satisfactory to the Parties, of all consents, approvals, clearances, no objections, and authorisations of any relevant Governmental Entities or other relevant third parties in Hong Kong or elsewhere as may reasonably be considered necessary or desirable for the execution and implementation of this Agreement;

(c) no Governmental Entity or any other person having commenced or threatened to commence any proceedings or investigation for the purpose of prohibiting or otherwise challenging or interfering with the execution or implementation of this Agreement and/or the New Commercial Documents, or having taken or threatened to take any action as a result of or in anticipation of the implementation of this Agreement and/or the New Commercial Documents that would be materially inconsistent with the transaction contemplated under this Agreement and/or the New Commercial Documents, or having enacted or proposed any legislation or order or imposed any condition which would prohibit, materially restrict or materially delay the implementation of this Agreement and/or the New Commercial Documents;

(d) the Warranties of the respective Parties shall be true and correct (in all material respects, in the case of those Warranties which are not by their express terms qualified by reference to materiality) on and as of the Completion Date with the same force and effect as if the Warranties had been made on and as of the Completion Date, except that any Warranties that are made as of a specified date shall be true and correct (in all material respects, in the case of those

Warranties which are not by their express terms qualified by reference to materiality) as of such date; and

(e) each of the Parties shall have fulfilled or complied to a material extent with the covenant given by it in Clause 6.4 or 6.5 and the undertakings given by it in Clause 6.13 and 22 up to and including the Completion Date.

4.2 **Satisfaction of Conditions by the Parties**

Each Party will, and (where appropriate) will procure any of its Affiliates to, use reasonable endeavours (so far as it lies within its powers) and co-operate with and assist one another to procure the satisfaction of the Conditions set out in Clauses 4.1(a) and 4.1(b) as soon as reasonably practicable and in any event before the Longstop Date.

4.3 **Notification**

If at any time a Party becomes aware of a fact or circumstance that might prevent a Condition being satisfied, it will immediately inform the other Party.

4.4 **Waiver**

The Parties may, to such extent legally permitted or entitled to do so, at any time mutually agree to waive in writing any of the Conditions (in whole or in part) set out in Clause 4.1.

4.5 **Conditions not Satisfied**

If any of the Conditions (which have not previously been waived by the Parties or, where appropriate, the Party to which it is given) have not been satisfied on or before the Longstop Date then either Party shall have the right to terminate this Agreement on giving written notice to the other Party, in which event the provisions of Clause 7 shall apply unless the Parties agree to postpone the Longstop Date to a date (being a Business Day) to be agreed by the Parties in which case the provisions of this Agreement will apply as if the date set for satisfaction or waiver of the Conditions were the date to which the Longstop Date is so postponed.

5. **COMPLETION**

5.1 **Completion**

Completion will take place at such place as the Seller and the Purchaser may agree on the third Business Day following satisfaction or waiver of the Conditions, or such other date as the Parties may agree in writing. At Completion, the business set out in Schedule 6 will be transacted.

5.2 **Effect of Non-Compliance With Completion Obligations**

No Party is obliged to complete this Agreement or perform any obligations under this Agreement unless the other Party complies fully with the requirements of Clause 5.1 and Schedule 6. If the respective obligations of the Parties under Clause 5.1 and Schedule 6 are not complied with on the Completion Date, the Purchaser may by notice to the Seller (in the event that the Seller is unable or unwilling to comply with its obligations under this Agreement) or the Seller may by notice to the Purchaser (in the event that the Purchaser is unable or unwilling to comply with its obligations under this Agreement):

(a) postpone Completion to a date (being a Business Day) to be specified by the compliant Party in which event the provisions of this Agreement will apply as if the date set for Completion in Clause 5.1 were the date to which Completion is so postponed;

(b) proceed to Completion as far as practicable (without limiting its rights under this Agreement); or

(c) terminate this Agreement in which case the provisions of Clause 7 shall apply.

6. WARRANTIES AND COVENANTS

6.1 Seller Warranties

The Seller represents, warrants and undertakes to and with the Purchaser and its successors in title that each statement contained in Schedule 3 is true and accurate in all respects and not misleading as at the date of this Agreement, and will continue to be so on each day up to and including the Completion Date with reference to the facts and circumstances subsisting from time to time.

6.2 Purchaser Warranties

The Purchaser represents, warrants and undertakes to and with the Seller and its successors in title that each statement contained in Schedule 4 is true and accurate in all respects and not misleading as at the date of this Agreement, and will continue to be so on each day up to and including the Completion Date with reference to the facts and circumstances subsisting from time to time.

6.3 Separate Warranties

Each of the Warranties is to be construed as a separate Warranty and (except where this Agreement expressly provides otherwise) is not to be limited or restricted by reference to or inference from the terms of any other Warranty or any other terms of this Agreement.

6.4 Purchaser Covenants

The Purchaser covenants with the Seller that it shall, and shall procure that its Affiliates shall, from the date of this Agreement up to and including the Completion Date, carry on their respective businesses with integrity, prudence and the appropriate degree of professional competence and in a manner that is not prejudicial to, or likely to prejudice, the interests (reputation or otherwise) of the Seller, its Affiliates and/or their respective customers.

6.5 Seller Covenants

The Seller covenants with the Purchaser that it shall, and shall procure that its Affiliates shall, from the date of this Agreement up to and including the Completion Date, perform their respective activities in connection with the Merchant Acquiring Business with integrity, prudence and the appropriate degree of professional competence and in a manner that is not prejudicial to, or likely to prejudice, the interests (reputation or otherwise) of the Purchaser, its Affiliates and/or their respective customers in connection with the Merchant Acquiring Business.

6.6 Remedies for Breach of Warranty or Covenant

If, on or before the Completion Date, (A) a Party has reasonable grounds to believe that a Warranty given by the other Party has been breached, is untrue, inaccurate or misleading or the other Party has breached any other term of this Agreement that, in either case, is material to the sale and purchase of the Sale Shares; or (B) a Party has reasonable grounds to believe that the other Party has breached its covenant in Clause 6.4 or 6.5 causing the interests of the first-mentioned Party, its Affiliates and/or their respective customers as specified in Clause 6.4 or 6.5 to be prejudiced in any material manner, the non-defaulting Party may by notice to the other Party:

(a) elect to proceed to Completion in which case the non-defaulting Party shall waive any other rights or remedies it may have in relation to the breach; or

(b) terminate this Agreement (in which event the provisions of Clause 7 will apply).

6.7 **Matters Disclosed**

The Warranties are qualified by reference to those matters Disclosed. A Party will not be liable to the other Party in respect of the Warranties to the extent of matters Disclosed.

6.8 **Time Limit on Warranty or Covenant Claims**

(a) Each Party will not be liable in respect of any of the Warranties or the covenant in Clause 6.4 or 6.5 unless notice of a claim in respect of such Warranties or covenant specifying in reasonable detail and to the extent possible the event or default to which the claim relates and the nature of the breach and amount claimed has been received by it not later than the expiry of the period of 18 months following the Completion Date.

(b) Any claim in respect of which notice has been given in accordance with Clause 6.8(a) will be deemed to have been irrevocably withdrawn and lapsed if (not having been previously satisfied, settled or withdrawn) proceedings in respect of such claim have not been issued and served on the Party receiving the notice not later than the expiry of the period of one year after the date of such notice (or, in case of a breach of any of the Warranties or the covenant in Clause 6.4 or 6.5 which arises by reason of some liability which, at the time of such notice of claim, is contingent only or cannot be quantified, not later than the expiry of the period of one year after the date on which such liability ceases to be contingent or becomes capable of being quantified).

6.9 **Upper Limit on Liability for Warranty or Covenant Claims**

The total liability of a Party for all claims made in respect of the Warranties and/or the covenant in Clause 6.4 or 6.5 will not exceed the amount of the Consideration. Subject to the aforesaid:

(a) the total liability of the Purchaser for all claims for breach of any of the Warranties set out in paragraph 1 in Schedule 4 (Purchaser Warranties), or the liability of the Seller for all claims for breach of any of the Warranties set out in paragraphs 1 and 2 in Schedule 3 (Seller Warranties), will not exceed the amount of the Consideration;

(b) the total liability of the Purchaser or the Seller for all claims for breach of any other Warranties will not exceed an amount equal to 30% of the Consideration; and

(c) the total liability of the Purchaser or the Seller for all claims for breach of the covenant in Clause 6.4 or 6.5 respectively will not exceed an amount equal to 30% of the Consideration.

6.10 **Changes in Legislation**

No Party will be liable in respect of any Warranties or the covenant under Clause 6.4 or 6.5 if and to the extent that the matter giving rise to such liability would not have arisen but for the passing of, the repealing, revocation or withdrawal of, or any change in, after the date of this Agreement, any law, rule, regulation, code, guideline, the interpretation of any of the above, or administrative practice of a Governmental Entity in each case not in force at the date of this Agreement.

6.11 **Remediable Breach of Warranties or Covenants**

Any Warranty or any covenant in Clause 6.4 or 6.5 to the extent remediable if breached shall not entitle the other Party to compensation unless the Party breaching the Warranty or covenant has received written notice of such breach from the other Party and such breach is not remedied within 30 days after the date on which such notice is received by the Party breaching the Warranty or covenant.

6.12 **Fraud**

The provisions of Clauses 6.7 to 6.9 will not apply in the event of fraud on the part of the Party giving the Warranty or covenant.

6.13 **Arrangements after Completion**

The Parties undertake to perform their respective post-Completion obligations set out in Schedule 5.

7. **TERMINATION**

If this Agreement is terminated pursuant to Clauses 4.5, 5.2(c) or 6.6(b), then all rights and obligations of the Parties will cease immediately upon termination except that:

(a) termination will not affect the then accrued rights and obligations of the Parties (including the right to damages for the breach, if any, giving rise to the termination and any other pre-termination breach by either Party); and

(ii) termination will be without prejudice to the continued application of Clause 14 (and all provisions relevant to the interpretation and enforcement thereof), which will remain in full force and effect.

8. **ENTIRE AGREEMENT**

The making, execution and delivery of this Agreement, by the Parties have been induced by no representations, statements, warranties or agreements other than those expressly provided or contemplated in this Agreement. This Agreement and (upon execution) the New Commercial Documents (including those provisions of the Commercial Documents that will continue in effect) embody the entire understanding of the Parties in respect of the subject matter hereof and supersede and cancel in all respects all previous letters of intent, correspondence, understandings, agreements and undertakings (if any) between the Parties with respect to the subject matter hereof whether such shall be written or oral.

9. **REMEDIES CUMULATIVE**

The rights of the Parties under this Agreement are cumulative and do not exclude or restrict any other rights (except as otherwise provided in the Agreement).

10. **NO WAIVER**

(a) No amendment or waiver of any provision of this Agreement, and no consent to any departure by any Party herefrom, shall be effective unless the same shall be in writing and signed by the Party sought to be bound thereby, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

(b) No failure or delay on the part of any Party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any waiver on the part of any Party of any right, power or privilege under this Agreement operate as a waiver of any other right, power or privilege hereunder, 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 under this Agreement.

11. **TIME OF THE ESSENCE**

Time is of the essence of this Agreement as regards any time, date or period specified for the performance of an obligation.

12. **SEVERANCE**

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable laws and regulations, but if any provision of this Agreement is held to be prohibited by or invalid under any applicable laws and regulations, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. In such an event, the Parties shall use good faith endeavours to re-negotiate any such provision in an effort to retain the spirit and intent of the original provision.

13. **AMENDMENTS**

No amendment, modification or alteration of the provisions of this Agreement shall be binding unless the same shall be in writing and duly executed by the authorized representative of each Party.

14. **ANNOUNCEMENTS AND RESTRICTIONS ON DISCLOSURE**

14.1 **Announcements**

No public announcement, circular or communication of any kind will be made or issued, in respect of the subject matter of this Agreement by the Parties except:

(a) with the prior written consent of the other Party which may not be unreasonably withheld or delayed;

(b) consistent with Schedule 7;

(c) as requested or required in order to comply with applicable requirements of any stock exchange or governmental entity, or by requirements of any securities law or regulation or other laws,

regulations, judicial process and directions of regulatory authorities and only after having provided to the other Party, to the extent it is practicable and legally permitted, with prompt notice of any such request or requirement so that the other Party may seek a protective order or other appropriate remedy in connection with such request or requirement; or

(d) where such announcement or communication is made or issued after Completion by the Purchaser or the Company to a customer, client or supplier of the Company informing it of the Purchaser's purchase of the Sale Shares.

14.2 **Restrictions on Disclosure**

No Party to this Agreement will disclose (and will take reasonable precautions to ensure that none of its directors, officers, employees or agents discloses) any term of this Agreement, the negotiations leading up to this Agreement or the transactions or arrangements contemplated or referred to in this Agreement (including the fact that this Agreement has been entered into between the Parties) or any confidential information belonging to any other Party except where:

(a) the prior written consent of the other Party has been obtained, such consent not to be unreasonably withheld or delayed, and which consent may be given either generally or in a specific case or cases and may be subject to conditions;

(b) disclosure is reasonably necessary for the performance of that Party's obligations under this Agreement or the New Commercial Documents, in which case the other Party will be informed of such disclosure and the disclosing Party will procure that such disclosure is limited to the extent of such necessity;

(c) the information has entered into the public domain but not because of a breach or default by that Party;

(d) disclosure is made for a proper purpose to the senior management of a Party's holding company;

(e) disclosure is to that Party's legal advisers, accountants or bankers or their respective legal advisers and that Party has informed the recipient of the restrictions on disclosure contained in this Clause 14.2 and that Party will be responsible for any breach of the provisions of this Clause 14.2 by or caused by, the recipient;

(f) disclosure is consistent with Schedules 7 or 8; or

(g) disclosure is requested or required by any stock exchange or governmental entity, or by requirements of any securities law or regulation or other laws, regulations, judicial process and directions of regulatory authorities to which the relevant Party is subject to, and only after having provided to the other Party, to the extent it is practicable and legally permitted, with prompt notice of any such request or requirement so that the other Party may seek a protective order or other appropriate remedy in connection with such request or requirement.

14.3 **Remedies**

The Parties acknowledge that since damages or an account of profits may not be an adequate remedy for a breach of the obligations in Clauses 14.1 and 14.2, a Party shall be entitled to an injunction to prevent a breach or a continued breach.

14.4 **Continuing Effect of Restrictions**

The restrictions contained in Clauses 14.1 and 14.2 will apply before and after Completion and will continue to bind the Parties even if this Agreement is rescinded or terminated.

15. **FURTHER ASSURANCE**

Each Party shall do and perform or cause to be done and performed all such further acts and things and shall execute and deliver or cause to be executed and delivered all such other agreements, certificates, instruments, and documents as the other Party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the New Commercial Documents.

16. **COUNTERPARTS**

This Agreement may be executed by the Parties in one or more counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

17. **SUCCESSORS**

This Agreement is binding on the successors of each Party.

18. **ASSIGNMENT**

All provisions of this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. This Agreement and the rights, privileges, duties and obligations of the Parties may not be assigned or delegated by any Party to any person without the prior written consent of the other Party, except to an Affiliate of such Party, it being understood that any assignment or delegation to an Affiliate or any other person shall not relieve the assigning Party of its obligations or liabilities under this Agreement unless the other Party provides an express release of such obligations and liabilities, and the assignee Party shall give reasonable consideration to providing such a release if requested.

19. **SURVIVAL**

The Parties acknowledge and agree that the provisions of Clauses 6.7, 6.8, 6.9, 6.10, 6.11, 6.12, 6.13 and 14 and any other provisions which by their nature are expected to survive Completion or the termination of this Agreement shall survive Completion or the termination of this Agreement.

20. **TAX AND EXPENSES**

20.1 **Tax**

(a) After Completion, the Purchaser will procure that the instruments of transfer and bought and sold notes relating to the purchase of the Sale Shares are duly stamped.

(b) Each Party shall pay 50% of the aggregate ad valorem Hong Kong stamp duty payable in respect of the sale and purchase of the Sale Shares under this Agreement; provided that the Seller shall pay its 50% share of the estimated stamp duty by way of cheque payable to "The Government of the HKSAR" pending assessment of stamp duty by the Hong Kong Stamp Office and provided further that, when such stamp duty is finally assessed by the Hong Kong

Stamp Office, (i) if the Seller has paid more than its half share of such stamp duty as finally assessed, the Purchaser shall, as soon as reasonably practicable after receipt of the refunded stamp duty from the Hong Kong Stamp Office, pay such excess to the Seller, and (ii) if the Seller has paid less than its half share of such stamp duty as finally assessed, the Seller shall, as soon as reasonably practicable, upon the Purchaser's demand pay such shortfall to the Purchaser.

(c) The Seller shall be responsible for its corporate tax liability (income or otherwise) on the sale of the Sale Shares.

(d) Subject to Clauses 20.1(b) and 20.1(c), all Taxes arising from or in connection with the transaction contemplated under this Agreement and the New Commercial Documents (including any Taxes payable by the Parties (or either of them) with respect to the Consideration) shall be borne by the Purchaser.

20.2 **Expenses**

Each of the Parties is responsible for that Party's own legal and other expenses incurred in the negotiation, preparation and completion of this Agreement and the New Commercial Documents.

21. **NOTICES**

21.1 **In Writing and Methods of Delivery**

Every notice or communication under this Agreement must be in writing and may, without prejudice to any other form of delivery, be delivered personally or sent by post or transmitted by fax.

21.2 **Authorised Addresses and Numbers**

(a) In the case of posting, the envelope containing the notice or communication must be addressed to the intended recipient at the authorised address of that Party and must be properly stamped or have the proper postage prepaid for delivery by the most expeditious service available (which will be airmail if that service is available) and, in the case of a fax, the transmission must be sent to the intended recipient at the authorised number of that Party.

(b) Subject to Clause 21.3, the authorised address and fax numbers of each Party, for the purpose of Clause 21, are as follows:

The Hongkong and Shanghai Banking Corporation Limited

Address: Level 8, 1 Queen's Road Central, Hong Kong

Fax: +852 3418 4719
For the attention of Senior Manager, Global Payments Relationship

Global Payments Acquisition PS 2 C.V.
Address: c/o Global Payments Inc.
10 Glenlake Parkway
Atlanta, Georgia 30328

Fax: +1 770 829 8265

For the attention of Corporate Secretary

21.3 **Notification of Changes**

No change in any of the particulars set out in Clause 21.2(b) will be effective against a Party until it has been notified to that Party.

21.4 **Deemed Giving of Notice and Receipt**

A notice or communication will be deemed to have been duly given and received:

(a) on personal delivery to any director or the secretary of an addressee or on a business day to a place for the receipt of letters at that addressee's authorised address;

(b) in the case of posting, where the addressee's authorised address is in the same country as the country of posting, at 10 a.m. (local time at the place where the address is located) on the second business day after the day of posting;

(c) in the case of posting, where the addressee's authorised address is not in the same country as the country of posting, at 10 a.m. (local time at the place where that address is located) on the fifth business day after the day of posting; and

(d) in the case of a fax, on issue to the sender of an O.K. result confirmation report or, if the day of issue is not a business day, at 10 a.m. (local time where the authorised fax number of the intended recipient is located) on the next business day.

21.5 **Business Days**

For the purpose of Clause 21.4, a **"business day"** means a day which is not a Saturday or a Sunday or a public holiday in the country of posting or transmission or in the country where the authorised address or fax number of the intended recipient is located and, where a notice is posted, which is not a day when there is a disruption of postal services in either country which prevents collection or delivery.

22. **COUNTERING BRIBERY**

The Purchaser and the Seller each hereby represents, warrants and undertakes to the other Party that, in connection with: (a) the transactions contemplated by this Agreement, (b) any matter pertaining directly or indirectly to this Agreement, including without limitation the negotiation of this Agreement and the fulfilment of its obligations hereunder, or (c) any other transactions involving, or undertaken on behalf of, the other Party:

(i) it has not violated and undertakes that it will not violate any applicable relevant anti-bribery laws and regulations, including without limitation the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and other analogous legislation in other jurisdictions (**"Anti-Bribery Laws"**); and

(ii) it has not and undertakes that it shall not engage in the following conduct: making of payments or transfers of value, offers, promises or giving of any financial or other advantage, or requests, agreements to receive or acceptances of any financial or other advantage, either directly or indirectly, which have the purpose or effect of public or commercial bribery or acceptance of or acquiescence in bribery, extortion, facilitation payments or other unlawful

or improper means of obtaining or retaining business, commercial advantage or the improper performance of any function or activity.

Notwithstanding any other provision to the contrary, a Party may suspend or terminate this Agreement immediately should it become aware of a breach or suspected breach of the other Party's representation, warranty or undertaking, or violation by the other Party of Anti-Bribery Laws or where the other Party causes it or any of its Affiliates to violate Anti-Bribery Laws.

23. LAW AND JURISDICTION

23.1 Governing Law

This Agreement is governed by and will be construed in accordance with Hong Kong law.

23.2 Hong Kong Jurisdiction

The Parties submit to the non-exclusive jurisdiction of the Hong Kong courts and each Party waives any objection to proceedings in Hong Kong on the grounds of venue or inconvenient forum.

24. PROCESS AGENTS

Without prejudice to any other mode of service allowed under any relevant law, the Purchaser:

(a) irrevocably appoints Southgate Services Limited, of 39th Floor, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong, as its agent for service of process in relation to any proceedings before the Hong Kong courts in connection with this Agreement and any New Commercial Document to which it is or will be a party; and

(b) agrees that failure by a process agent to notify it of the process will not invalidate the proceedings concerned.

EXECUTED by the Parties

For and on behalf of

The Hongkong and Shanghai Banking Corporation Limited

by: Stephen Colin Moss
title:Global Head of M&A /s/Stephen Colin Moss

For and on behalf of

Global Payments Acquisition PS 2 C.V.

by Global Payments Acquisition PS 1 - Global Payments Direct S.e.n.c.,

its General Partner

duly represented:

by Global Payments Direct, Inc., managing partner of Global Payments Acquisition PS 1 - Global Payments Direct S.e.n.c.

duly represented:
by: David E. Mangum
title: Treasurer/s/ David Mangum

FIRST AMENDMENT TO
CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT dated as of September 28, 2012 (the "Amendment") is entered into among Global Payments Inc., a Georgia corporation (the "Company"), the other borrowers party thereto (together with the Company, the "Borrowers" and each a "Borrower"), the Lenders party hereto and Bank of America, N.A., as Administrative Agent. All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement (as defined below).

RECITALS

WHEREAS, the Borrowers, the Lenders and the Administrative Agent entered into that certain Credit Agreement dated as of December 7, 2010 (as amended or modified from time to time, the "Credit Agreement");

WHEREAS, the parties hereto agree to amend the Credit Agreement as set forth below;

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

1. Amendments to Credit Agreement. The Credit Agreement is hereby amended as follows:

(a) The following definitions in Section 1.01 of the Credit Agreement are hereby amended to read as follows:

"Change in Law" means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any Law, (b) any change in any Law or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted, implemented or issued.

"Guarantors" means the collective reference to (a) each Subsidiary (other than a Bank Subsidiary) that qualifies as a Significant Subsidiary as provided herein and each additional Subsidiary that executes and delivers to the Administrative Agent a Subsidiary Guaranty Supplement pursuant to Section 6.09 and (b) the Company, in its capacity as a guarantor of the Obligations of the Designated Borrowers.

"Lender" means each of the Persons identified as a "Lender" on the signature pages hereto, each other Person that becomes a "Lender" in accordance with this Agreement and their successors and assigns and, as the context requires, includes the Swing Line Lender. The term "Lender" shall include the Revolving A Lenders and/or the Revolving B Lenders, as applicable.

"Net Income" means, for any period, net income of the Company and its consolidated Subsidiaries for such period determined on a consolidated basis in accordance with GAAP, but

excluding therefrom (to the extent included therein) (a) any earnings of Designated Subsidiaries and any equity interests in the earnings of joint ventures or other Persons that are not Subsidiaries, in each case to the extent such earnings are not actually paid in cash, and the Company or its Subsidiaries do not have the ability to cause such earnings to be paid in cash, to the Company or its Subsidiaries (other than Designated Subsidiaries) with respect to such period, (b) the after-tax impact of Non-Recurring Non- Cash Items and (c) the after-tax impact of Non-Recurring Cash Items incurred on or prior to May 31, 2013, relating to the security breach which occurred prior to the Closing Date, to the extent that the aggregate amount of such Non-Recurring Cash Items do not exceed $150,000,000 (on a pre-tax basis) in the aggregate during the term of this Agreement. Further, to the extent that any Non-Recurring Cash Items are required to be included in net income, such Non-Recurring Cash Items will only be reflected (on an after-tax basis) in net income as such amounts are paid, and the cash portions of any Non-Recurring Cash Items will only be reflected (on an after-tax basis) in net income for pre-tax amounts that exceed the Non-Recurring Cash Items Charge Limit.

(b) The following definitions are hereby added to Section 1.01 of the Credit Agreement in the appropriate alphabetical order to read as follows:

"Bank Subsidiary" means any Subsidiary that is a bank, limited purpose bank, or similarly regulated Person.

"Designated Subsidiaries" means the non-wholly owned Subsidiaries of the Company that are subject to an encumbrance or restriction pursuant to an agreement between the Company or the applicable Subsidiary with the Person (other than any Affiliate of the Company) owning the minority of the outstanding Equity Interests in such non-wholly owned Subsidiary of the Company requiring the consent of such Person prior to (a) paying dividends or making any other distributions on any of its Equity Interests, (b) paying any amounts owing to the Company or any of its Subsidiaries or (iii) granting any Liens on any of its assets to secure any of the Obligations.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 10.01 and (b) has been approved by the Required Lenders.

"Non-Recurring Cash Items Charge Limit" means during any Fiscal Year, an amount equal to three percent (3%) of the Net Worth of the Borrower and its Subsidiaries as of the end of the immediately preceding Fiscal Year.

"Report on Compliance" means one or more reports of the Borrower and/or one or more of its Subsidiaries documenting compliance with the Payment Card Industry Security Standard promulgated by the Payment Card Industry Security Standards Council.

(c) The definition of "Restructuring Charge Limit" in Section 1.01 of the Credit Agreement is hereby deleted in its entirety.

(d) The following sentence is hereby added at the end of the definition of "Defaulting Lender" in Section 1.01 of the Credit Agreement to read as follows:

Upon determining that a Lender is a Defaulting Lender, the Administrative Agent shall provide written notice of such determination, which shall be delivered by the Administrative Agent to the Company and each other Lender promptly following such determination.

(e) The last sentence in the definition of "Indebtedness" in Section 1.01 of the Credit Agreement is hereby amended to read as follows:

"Indebtedness" shall not include (i) obligations of the Company or any Subsidiary under any Settlement Facility or any contingent obligations under surety bonds or similar obligations incurred in the ordinary course of business or (ii) any liabilities of a Bank Subsidiary for, or in respect of, deposits received by such Bank Subsidiary.

(f) The following sentence is hereby added at the end of the definition of "Material Subsidiary" in Section 1.01 of the Credit Agreement to read as follows:

Notwithstanding anything to the contrary contained herein, no Bank Subsidiary shall be a "Material Subsidiary".

(g) Section 2.15(a)(iv) of the Credit Agreement is hereby amended to read as follows:

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. During any period in which there is a Defaulting Lender, for purposes of computing the amount of the obligation of each non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit or Swing Line Loans pursuant to Sections 2.03 and 2.04, the "Applicable Percentage" of each non-Defaulting Lender with a Revolving Commitment under the applicable Revolving Tranche shall be computed without giving effect to the Revolving Commitment of that Defaulting Lender; provided, that, (x) each such reallocation shall be given effect only if, at the date the applicable Lender becomes a Defaulting Lender, (A) no Default or Event of Default exists and (B) the conditions set forth in Section 4.02 are satisfied at the time of such reallocation (and, unless the Company shall have otherwise notified the Administrative Agent at such time, the Administrative Agent and the Lenders may assume that such conditions are satisfied at such time); and (y) the aggregate obligation of each non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit and, if a Revolving A Lender, Swing Line Loans shall not exceed the positive difference, if any, of (1) the Revolving Commitment of that non-Defaulting Lender minus (2) the aggregate Outstanding Amount of the Revolving Loans of that Lender.

(h) Section 6.09 of the Credit Agreement is hereby amended to read as follows:

6.09 Additional Guarantors. (a) Not later than 30 days (or such longer period as the Administrative Agent may agree) after the date required for delivery of any quarterly or annual financial statements pursuant to Section 6.01, if any Domestic Subsidiary that is not a Guarantor as of the period end date of such financial statements would qualify as of such period end date as a Significant Subsidiary or (b) promptly (or such period as the Administrative Agent may agree) after the date that any Subsidiary (other than a Bank Subsidiary) becomes a guarantor with respect to any Existing Credit Agreement, the Company shall cause such Subsidiary to execute and deliver to the Administrative Agent a Subsidiary Guaranty Supplement pursuant to which such Subsidiary agrees to be bound by the terms and provisions of the Subsidiary Guaranty, accompanied by (i) all other Loan Documents related thereto, (ii) certified copies of the certificates or articles of incorporation, organization or formation, by-laws, limited liability company agreements, partnership agreements, and other applicable Organization Documents, appropriate authorizing resolutions of the board of directors, board of managers, or comparable body, and opinions of counsel for such Subsidiary comparable to those delivered pursuant to Section 4.01, and (iii) such other documents as the Administrative Agent may reasonably request. The Company may request that any Guarantor cease to be a Guarantor and be released and discharged from its obligations under the Subsidiary Guaranty if (i) the Equity Interests of such Guarantor are being sold or otherwise disposed of, or such Guarantor is being dissolved, in a transaction not prohibited by the terms of this Agreement, or (ii) such Guarantor both (A) (x) has ceased to qualify as a Significant Subsidiary as indicated by the most recent quarterly or annual financial statements delivered pursuant to Section 6.01 or (y) after giving pro forma effect to any Asset Sale or sale or other disposition made by such Guarantor or Subsidiaries of such Guarantor as if such Asset Sale or disposition occurred during the most recent period for which financial statements have been delivered pursuant to Section 6.1, would cease to qualify as a Significant Subsidiary and (B) has or

is being released as a guarantor of the obligations of the Company and/or the Borrowers, as applicable, under both of the Existing Credit Agreements (if and to the extent then existing, as applicable).

(i) Section 7.01 of the Credit Agreement is hereby amended to read as follows:

7.01 Subsidiary Indebtedness. The Company will not permit any Subsidiary (other than a Subsidiary Guarantor) to create, incur or suffer to exist any Indebtedness, other than:

(a) Indebtedness existing on the date of this Agreement and described on Schedule 7.01;

(b) Indebtedness secured by Liens permitted pursuant to the terms of Section 7.02(a)(iii);

(c) Indebtedness of such Subsidiary owing to the Company or any other Subsidiary;

(d) [Reserved];

(e) Indebtedness arising from the renewal or extension of any Indebtedness described in clauses (a), (b), (f) or (k), provided that the amount of such Indebtedness is not increased and any Liens securing such Indebtedness attached only to the assets previously serving as collateral for such Indebtedness prior to such renewal or extension;

(f) Indebtedness owing by such Subsidiary that was in existence at the time such Person first became a Subsidiary, or at the time such Person was merged into or consolidated with a Subsidiary, which Indebtedness was not created or incurred in contemplation of such event, provided that such Indebtedness is at the time permitted pursuant to the terms of Section 7.02 (in the case of any Indebtedness secured by any Liens on assets of such Subsidiary);

(g) Indebtedness resulting from Surety Indemnification Obligations of such Subsidiary;

(h) Indebtedness, if any, which may be deemed to exist with respect to Swap Agreements;

(i) Indebtedness, if any, that may exist in respect of deposits or payments made by customers or clients of such Subsidiaries;

(j) Indebtedness owed in respect of any netting services, overdrafts and related liabilities arising from treasury, depository and cash management services or in connection with any automated clearing−house transfers of funds or in respect of letters of credit or bankers' acceptances supporting trade payables;

(k) other Indebtedness of such Subsidiaries (including any Indebtedness of a Designated Borrower that is a Foreign Subsidiary Borrower and not a Subsidiary Guarantor) not described in clauses (a) through (j) or (l) incurred or created following the Closing Date so long as on the date of such incurrence or creation the sum of (A) the aggregate principal amount of such Indebtedness and (B) the aggregate principal amount of all Indebtedness incurred under clauses (a), (e) (in the case of renewals or extension of Indebtedness described in clauses (a) or (k)), and (k) and outstanding on such date (including any Indebtedness of a Designated Borrower that is a Foreign Subsidiary Borrower and not a Subsidiary Guarantor), does not exceed an amount equal to twenty-five percent (25%) of Net Worth as at the end of the Company's most recently ended Fiscal Quarter for which financial statements have been

made available, or are required to have been made available, to the Administrative Agent prior to such date; and

(l) all premiums (if any), interest, fees, expenses, charges and additional or contingent interest on obligations described in clauses (a) through (k).

(j) Section 7.04 of the Credit Agreement is hereby amended to read as follows:

7.04 Lines of Business. No Borrower, nor any Significant Subsidiary (other than any Bank Subsidiary) shall conduct or enter into any business, either directly or through any other Subsidiary, except for any business that is the same or substantially similar as that of the Company or its existing Subsidiaries or such other businesses arising therefrom or reasonably related to the payment services, financial services, transaction processing or money transfer businesses. No Bank Subsidiary shall conduct or enter into any business except for banking or similarly regulated businesses.

(k) Section 7.06 of the Credit Agreement is hereby amended to read as follows:

7.06 [Reserved].

(l) Section 7.08 of the Credit Agreement is hereby amended to read as follows:

7.08 Leverage Ratio. The Leverage Ratio at the end of each Fiscal Quarter shall not be greater than 2.50 to 1.00 for the Fiscal Quarter just ended and the immediately preceding three Fiscal Quarters; provided the maximum Leverage Ratio permitted pursuant to this Section 7.08 shall be increased to 3.25 to 1.00 on and after the earlier to occur of (i) the date the Company is listed on the publicly available list of PCI compliant processors and (ii) receipt by the Administrative Agent of reasonably satisfactory documentation demonstrating the approval of the Report on Compliance by card networks representing at least 80% of the North American EBITDA of the Company and its Subsidiaries.

2. Conditions Precedent. This Amendment shall be effective upon receipt by the Administrative Agent of counterparts of this Amendment duly executed by the Borrowers, the Guarantors, the Lenders and Bank of America, N.A., as Administrative Agent.

3. Miscellaneous.

(a) The Credit Agreement and the obligations of the Credit Parties thereunder and under the other Loan Documents, are hereby ratified and confirmed and shall remain in full force and effect according to their terms, as amended hereby. This Amendment is a Loan Document.

(b) Each Guarantor joins the execution of this amendment for the purpose of (a) acknowledging and consenting to all of the terms and conditions of this Amendment, (b) affirming all of its obligations under the Loan Documents and (c) agreeing that this Amendment and all documents executed in connection herewith do not operate to reduce or discharge its obligations under the Credit Agreement or the other Loan Documents.

(c) Each Borrower hereby represents and warrants as follows:

(i) It has taken all necessary action to authorize the execution, delivery and performance of this Amendment.

(ii) This Amendment has been duly executed and delivered by it and constitutes such Borrower's legal, valid and binding obligations, enforceable in accordance with its terms, except as such enforceability may be subject to (A) Debtor Relief Law and (B) general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(iii) No consent, approval, authorization or order of, or filing, registration or qualification with, any court or governmental authority or third party is required in connection with the execution, delivery or performance by such Borrower of this Amendment.

(d) The Borrowers represent and warrant to the Lenders that (i) the representations and warranties of the Borrowers set forth in Article V of the Credit Agreement and in each other Loan Document are true and correct in all material respects as of the date hereof with the same effect as if made on and as of the date hereof, except to the extent such representations and warranties expressly relate solely to an earlier date (in which event such representations and warranties shall have been true in all material respects on and as of such earlier date) and (ii) no event has occurred and is continuing which constitutes a Default or an Event of Default.

(e) This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of this Amendment by telecopy or other secure electronic format (.pdf) shall be effective as an original and shall constitute a representation that an executed original shall be delivered.

(f) **THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF GEORGIA.**

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

BORROWERS

GLOBAL PAYMENTS INC.,
a Georgia corporation

By: /s/ David E. Mangum
Name: David E. Mangum
Title: Chief Financial Officer

GLOBAL PAYMENTS DIRECT, INC.,
a New York corporation

By: /s/ Suellyn P. Tornay
Name: Suellyn P. Tornay
Title: Secretary

GLOBAL PAYMENTS UK LTD.,
a British Company governed of the Laws of England and Wales

By: /s/ David E. Mangum
Name: David E. Mangum
Title: Authorized Signatory

GLOBAL PAYMENTS ACQUISITION
CORPORATION 2 SARL,
a Dutch Company governed under the Laws of
the Netherlands

By: /s/ Suellyn P. Tornay
Name: Suellyn P. Tornay
Title: Type A Manager

GLOBAL PAYMENTS ACQUISITION PS 2 C.V.,
a Belgium Company governed under the Laws
of Luxembourg

By: /s/ Suellyn P. Tornay
Name: Suellyn P. Tornay
Title: Secretary

GLOBAL PAYMENTS ACQUISITION
PS 1 - GLOBAL PAYMENTS DIRECT S.E.N.C., a Luxembourg general partnership

By: Global Payments Direct, Inc.
Its: General Partner

By: /s/ Suellyn P. Tornay
Name: Suellyn P. Tornay
Title: Secretary

GUARANTORS: Global Payments Inc.

By: /s/ David E. Mangum
Name: David E. Mangum
Title: Chief Financial Officer

ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ Angelo M. Martorana
Name: Angelo M. Martorana
Title: Assistant Vice President

BANK OF AMERICA, N.A., as Lender, Swing Line Lender and L/C Issuer

By: /s/ Thomas M. Paulk
Name: Thomas M. Paulk
Title: Senior Vice President

LENDERS:

SUNTRUST BANK, as a Lender

By: /s/ David A. Bennett
Name: David A. Bennett
Title: Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Karen McClain
Name: Karen McClain
Title: Managing Director

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH, as a Lender

By: /s/ George Stoecklein
Name: George Stoecklein
Title: Director

BARCLAYS BANK PLC, as a Lender

By: /s/ Diane Rolfe
Name: Diane Rolfe
Title: Director

BRANCH BANKING AND TRUST COMPANY, as a Lender

By: /s/Brantley Echols
Name: Brantley Echols
Title: Senior Vice President

CIBC INC., as a Lender

By: /s/ Dominic Sorresso
Name: Dominic Sorresso
Title: Executive Director

CIBC INC., as a Lender

By: /s/ Eoin Roche
Name: Eoin Roche
Title: Executive Director

CITIBANK, N.A., as a Lender

By: /s/ William Mandaro
Name: William Mandaro
Title: Director

COMERICA BANK, as a Lender

By: /s/Timothy O'Rourke
Name: Timothy O'Rourke
Title: Vice President

COMPASS BANK, as a Lender

By: /s/Susana Campuzano
Name: Susana Campuzano
Title: SVP

GOLDMAN SACHS BANK USA, as a Lender

By: /s/Michelle Latzoni
Name: Michelle Latzoni
Title: Authorized Signatory

HSBC BANK USA, N.A., as a Lender

By: /s/Paul Lopez
Name: Paul Lopez
Title: Senior Vice President

TD BANK, N.A., as a Lender

By: /s/Steve Levi
Name: Steve Levi
Title: Senior Vice President

UBS AG STAMFORD BRANCH, as a Lender

By: /s/Irja R. Otsa
Name: Irja R. Otsa
Title: Associate Director

UBS AG STAMFORD BRANCH, as a LenderBy: /s/David Urban
Name: David Urban
Title: Associate Director

TERM LOAN AGREEMENT

Dated as of September 28, 2012

among

GLOBAL PAYMENTS INC.,
as the Borrower,

BANK OF AMERICA, N.A.,
as Administrative Agent

and

The Other Lenders Party Hereto

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
PNC CAPITAL MARKETS LLC
and
REGIONS CAPITAL MARKETS, A DIVISION OF REGIONS BANK,
as Joint Lead Arrangers,

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
as Sole Book Manager

PNC BANK, NATIONAL ASSOCIATION
and
REGIONS BANK,
as Co-Syndication Agents

TD Bank, N.A.
and
CANADIAN IMPERIAL BANK OF COMMERCE,
as Co-Documentation Agents

TABLE OF CONTENTS

SCHEDULES

EXHIBITS

Form of

TERM LOAN AGREEMENT

This TERM LOAN AGREEMENT ("Agreement") is entered into as of September 28, 2012, among GLOBAL PAYMENTS INC., a Georgia corporation (the "Borrower"), each Lender (defined below) from time to time party hereto, and BANK OF AMERICA, N.A., as Administrative Agent.

The Borrower has requested that the Lenders provide a term loan facility in Dollars (defined below), and the Lenders are willing to do so on the terms and conditions set forth herein.

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

DEFINITIONS AND ACCOUNTING TERMS

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

"Acquired Entity" means the assets, in the case of an acquisition of assets, or Equity Interests (or, if the context requires, the Person that is the issuer of such Equity Interests), in the case of an acquisition of Equity Interests, acquired by the Borrower or any of its Subsidiaries pursuant to an Acquisition.

"Acquisition" means any transaction, or any series of related transactions, consummated on or after the date of this Agreement, by which any Person (i) acquires any going business or all or substantially all of the assets of any firm, corporation, partnership, limited liability company or division or other business unit or segment thereof, whether through purchase of assets, merger or otherwise, or (ii) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the securities of a corporation which have ordinary voting power for the election of directors (other than securities having such power only by reason of the happening of a contingency) or a majority (by percentage or voting power) of the outstanding ownership interests of a partnership or limited liability company.

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

"Administrative Agent's Office" means the Administrative Agent's address and, as appropriate, account as set forth on Schedule 10.02 or such other address or account as the Administrative Agent may from time to time notify to the Borrower and the Lenders.

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

"Affiliate" means, with respect to any Person, a specified Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agreement" means this Credit Agreement.

"Applicable Percentage" means, with respect to any Lender at any time, with respect to such Lender's portion of the outstanding Term Loan at any time, the percentage of the outstanding principal amount of the Term Loan held by such Lender at such time, subject to adjustment as provided in Section 2.11. The initial Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

"Applicable Rate" means the following percentages per annum, based upon the Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.01(c):

Pricing Level	Leverage Ratio	Eurodollar Rate Loans	Base Rate Loans
1	< 0.50 to 1.0	1.375%	0.375%
2	≥ 0.50 to 1.0 but < 1.00 to 1.0	1.5%	0.5%
3	≥ 1.00 to 1.0 but < 1.50 to 1.0	1.75%	0.75%
4	≥ 1.50 to 1.0 but < 2.00 to 1.0	2%	1%
5	≥ 2.00 to 1.0 but < 2.50 to 1.0	2.25%	1.25%
6	≥ 2.50 to 1.0	2.5%	1.5%

Any increase or decrease in the Applicable Rate resulting from a change in the Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.01(c); provided that if a Compliance Certificate is not delivered when due in accordance with such Section, then, upon the request of the Required Lenders, Pricing Level 6 shall apply as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered and shall remain in effect until the date on which such Compliance Certificate is delivered. Subject to the proviso in the immediately preceding sentence, the Applicable Rate in effect from the Closing Date through the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.01(c) for the fiscal quarter of the Borrower ending November 30, 2012 shall be determined based upon Pricing Level 4. Notwithstanding anything to the contrary contained in this definition, the determination of the Applicable Rate for any period (other than the period addressed in the immediately preceding sentence) shall be subject to the provisions of Section 2.07(b).

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arrangers" means MLPFS, PNC Capital Markets LLC and Regions Capital Markets, a division of Regions Bank, in their capacity as joint lead arrangers and MLPFS in its capacity as sole book manager.

"Asset Sale" means the sale (including any transaction that has the economic effect of a sale), transfer or other disposition (by way of merger or otherwise, including sales in connection with a sale and leaseback transaction, or as a result of any condemnation or casualty in respect of property) by the Borrower or any Subsidiary to any Person other than a Credit Party, of (a) any Equity Interests of any Subsidiary, or (b) any other assets of the Borrower or any Subsidiary (other than inventory licenses and sublicenses granted in the ordinary course of business, obsolete or worn out assets, scrap, cash equivalents, and marketable securities, in each case disposed of in the ordinary course of business), except sales, transfers or other dispositions of any assets in one transaction or a series of related transactions having a value not in excess of $10,000,000.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit D or any other form (including electronic documentation generated by MarkitClear or other electronic platform) approved by the Administrative Agent.

"Audited Financial Statements" means the audited consolidated balance sheet of the Borrower and its Subsidiaries for the fiscal year ended May 31, 2012, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year of the Borrower and its Subsidiaries, including the notes thereto.

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

"Bank Subsidiary" means any Subsidiary that is a bank, limited purpose bank, or similarly regulated Person.

"Base Rate" means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Effective Rate plus 0.50%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate" and (c) the Eurodollar Base Rate plus 1%. The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such "prime rate" announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

"Base Rate Loan" means a Loan that bears interest based on the Base Rate.

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

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

"Borrower Materials" has the meaning specified in Section 6.01.

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

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent's Office is located and, if such day relates to any Eurodollar Rate Loan or any Base Rate Loan bearing interest at a rate based on the Eurodollar Base Rate, means any such day that is also a London Banking Day.

"Canadian Receivables" means the accounts receivable of Global Payments Direct, Inc. generated in the ordinary course of business of its merchant processing business in Canada, including VISA receivables, debit card receivables, merchant charge-back receivables and merchant business receivables (relating to fees owed to Global Payments Direct by its Canadian VISA merchants) generated in connection with such business.

"Canadian Receivables Collateral" means, collectively, the Canadian Receivables, the accounts maintained by Global Payments Direct with Canadian Imperial Bank of Commerce and into which are deposited only proceeds of the Canadian Receivables and other sums anticipated for use in connection with the settlement of the Canadian Receivables, and any foreign exchange hedging contracts entered into by Global Payments Direct in order to mitigate foreign currency exchange risk arising in respect of obligations under the Canadian Receivables Credit Facility, together with all products and proceeds of the foregoing.

"Canadian Receivables Credit Facility" means the documents evidencing the credit facility made available to Global Payments Direct by Canadian Imperial Bank of Commerce providing for short-term advances to Global Payments Direct made in respect of the Canadian Receivables, with the obligations of Global Payments Direct under such credit facility to be Guaranteed by the Borrower and certain Subsidiaries, together with any refinancings or replacements of such credit facility and any amendments or modifications of such credit facility or refinancing or replacement, in each case to the extent any such refinancing, replacement, amendment or modification is not on terms or otherwise less favorable in any material respect to the Lenders or the Administrative Agent.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Change in Control" means the occurrence of one or more of the following events: (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any entity, organization or "group" (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof) of 50% or more of the outstanding shares of the voting stock of the Borrower; (b) during any

period of up to 12 months, individuals who at the beginning of such 12 month period were directors of the Borrower (together with any new directors whose election or nomination for election by the Borrower's board of directors was approved by a vote of at least two-thirds of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason (other than death, disability or voluntary retirement not for reasons related to an actual or proposed change of control) to constitute at least a majority of the directors of the Borrower then in office); or (c) the occurrence of any sale, lease, exchange or other transfer (in a single transaction or series of related transactions) of all or substantially all of the assets of the Borrower to any Person or "group" (as defined above).

"Change in Law" means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any Law, (b) any change in any Law or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted, implemented or issued.

"Closing Date" means September 28, 2012.

"Code" means the United States Internal Revenue Code of 1986, as amended.

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

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Credit Extension" means a Borrowing.

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

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

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

"Default Rate" means when used with respect to Obligations, an interest rate equal to (a) the Base Rate plus (b) the Applicable Rate, if any, applicable to Base Rate Loans plus (c) 2% per annum; provided, however, that with respect to a Eurodollar Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan plus 2% per annum, in each case to the fullest extent permitted by applicable Laws.

"Defaulting Lender" means, subject to Section 2.11 (b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's

determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified the Borrower or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.11(b)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrower and each other Lender promptly following such determination.

"Designated Subsidiaries" means the non-wholly owned Subsidiaries of the Borrower that are subject to an encumbrance or restriction pursuant to an agreement between the Borrower or the applicable Subsidiary with the Person (other than any Affiliate of the Borrower) owning the minority of the outstanding Equity Interests in such non-wholly owned Subsidiary of the Borrower requiring the consent of such Person prior to (a) paying dividends or making any other distributions on any of its Equity Interests, (b) paying any amounts owing to the Borrower or any of its Subsidiaries or (iii) granting any Liens on any of its assets to secure any of the Obligations.

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

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

"EBITDA" means, for any period, the sum of the following (without duplication) in each case determined on a consolidated basis in accordance with GAAP: (a) with respect to the Borrower and its Subsidiaries (excluding any Persons or assets that became Acquired Entities at any time during such period), the sum of each of the following for such period: (i) Net Income, (ii) income taxes, (iii) depreciation, (iv) amortization, and (v) Interest Expense; and (b) "EBITDA" of any Persons or assets that became Acquired Entities at any time during such period, calculated on a pro forma basis for such Acquired Entities for the entire period in a manner otherwise consistent with this definition and the definitions referred to herein.

"EBITR" means, for the Borrower and its Subsidiaries for any period, an amount equal to the sum of each of the following for such period (without duplication) in each case determined on a consolidated basis in accordance with GAAP: (a) EBITDA (excluding "EBITDA" of Acquired Entities as described in clause (b) of the definition of EBITDA) plus (b) Lease Expense, minus (c) depreciation and amortization.

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

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

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

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any Reportable Event; (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Eurodollar Base Rate" means

(a) for any Interest Period with respect to a Eurodollar Rate Loan, the rate per annum equal to (i) the British Bankers Association LIBOR Rate ("BBA LIBOR"), as published by Reuters (or such other commercially available source providing quotations of BBA LIBOR as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two London Banking Days prior to the commencement of such Interest Period for deposits in Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period (rounded upward, if necessary, to a whole multiple of 1/100 of 1%), or (ii) if such rate is not available at such time for any reason, the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the Eurodollar Rate Loan being made, continued or converted and with a term equivalent to such Interest Period would be offered by Bank of America's London Branch to major banks in the London interbank Eurodollar market at their request at approximately 11:00 a.m. (London time) two London Banking Days prior to the commencement of such Interest Period; or

(b) for any interest rate calculation with respect to a Base Rate Loan on any date, the rate per annum equal to (i) BBA LIBOR, at approximately 11:00 a.m., London time determined two London Banking Days prior to such date for Dollar deposits being delivered in the London interbank market for a term of one month commencing that day or (ii) if such published rate is not available at such time for any reason, the rate

per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the date of determination in same day funds in the approximate amount of the Base Rate Loan being made or maintained and with a term equal to one month would be offered by Bank of America's London Branch to major banks in the London interbank eurodollar market at their request at the date and time of determination.

"Eurodollar Rate" means for any Interest Period with respect to a Eurodollar Rate Loan, a rate per annum determined by the Administrative Agent pursuant to the following formula:

$$\text{Eurodollar Rate} = \frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurodollar Reserve Percentage}}$$

"Eurodollar Reserve Percentage" means, for any day during any Interest Period, the reserve percentage (expressed as a decimal, carried out to five decimal places) in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the Board for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "Eurocurrency liabilities"). The Eurodollar Rate for each outstanding Eurodollar Rate Loan shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage.

"Eurodollar Rate Loan" means a Loan that bears interest at a rate based on the "Eurodollar Rate".

"Event of Default" has the meaning specified in Section 8.01.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Term Loan Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Term Loan Commitment (other than pursuant to an assignment request by the Borrower under Section 10.13) or (ii) such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 3.01(a)(ii), 3.01(a)(iii) or 3.01(c), amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient's failure to comply with Section 3.01(e) and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA.

"Existing Credit Agreements" means (a) the 2008 Credit Agreement and (b) the 2010 Credit Agreement.

"FATCA" means Sections 1471 through 1474 of the Code, as of the Closing Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

"Federal Funds Effective Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Effective Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Effective Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as reasonably determined by the Administrative Agent.

"Fee Letter" means the letter agreement, dated August 27, 2012, among the Borrower, the Administrative Agent and MLPFS.

"Financial Officer" means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

"Fiscal Quarter" means any fiscal quarter of the Borrower.

"Fiscal Year" means any fiscal year of the Borrower.

"Fixed Charges" means, without duplication, for the Borrower and its Subsidiaries for any period, the sum of each of the following for such period: (a) Interest Expense, and (b) Lease Expense.

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

"Foreign Subsidiary" means any Subsidiary of the Borrower other than a Domestic Subsidiary.

"Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

"Funding Indemnity Letter" means a letter by and among the Borrower and the Administrative Agent, on behalf of the Lenders, entered into on or prior to the date that is three Business Days prior to the Closing Date pursuant to which the Borrower agrees to compensate the Lenders for certain losses, costs or expenses incurred by such Lender as a result of any failure for any reason to make the Loan Borrowings on the date set forth therein, in the form agreed to by the parties thereto.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

"Governmental Authority" means the government of the United States, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

"Guaranteed Parties" means the Administrative Agent, the Lenders and any Swap Provider.

"Guarantors" means the collective reference to each Subsidiary (other than a Bank Subsidiary) that qualifies as a Significant Subsidiary as provided herein and each additional Subsidiary that executes and delivers to the Administrative Agent a Subsidiary Guaranty Supplement pursuant to Section 6.09.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"IFRS" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements delivered under or referred to herein.

"Indebtedness" of any Person means, without duplication, (a) obligations of such Person for borrowed money, (b) obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) obligations of such Person in respect of the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of business on terms customary in the trade), (d) obligations of such Person under any conditional sale or other title retention agreement(s) relating to property acquired by such Person, (e) Capital Lease Obligations of such Person, (f) obligations, contingent or otherwise, of such Person in respect of letters of credit, acceptances or similar extensions of credit, (g) Guarantees by such Person of the type of indebtedness described in clauses (a) through (f) above, (h) all indebtedness of a third party secured by any lien on property owned by such Person, whether or not such indebtedness has been assumed by such Person, (i) all obligations of such Person, contingent or otherwise, to purchase, redeem, retire or otherwise acquire for value any Equity Interests of such Person, and (j) off-balance sheet liability retained in connection with asset securitization programs, synthetic leases, sale and leaseback transactions or other similar obligations arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the consolidated balance sheet of such Person and its Subsidiaries. "Indebtedness" shall not include (i) obligations of the Borrower or any Subsidiary under any Settlement Facility or any contingent obligations under surety bonds or similar obligations incurred in the ordinary course of business or (ii) any liabilities of a Bank Subsidiary for, or in respect of, deposits received by such Bank Subsidiary.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

"Indemnitees" has the meaning specified in Section 10.04(b).

"Information" has the meaning specified in Section 10.07.

"Intellectual Property" means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multi-national or foreign laws or otherwise, including copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses, technology, know-how processes and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds in damages therefrom.

"Interest Expense" means, for the Borrower and its Subsidiaries for any period determined on a consolidated basis in accordance with GAAP (without duplication), total interest expense, including without limitation the interest component of any payments in respect of Capital Lease Obligations (whether capitalized or expensed) during such period (whether or not actually paid during such period).

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

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

that is twelve months or less requested by the Borrower and consented to by all the Lenders required to fund or maintain a portion of such Loan; provided that:

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

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

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

"IRS" means the United States Internal Revenue Service.

"Lease Expense" for any period, the aggregate amount of fixed and contingent rentals payable by the Borrower and its Subsidiaries with respect to leases of real and personal property (excluding Capital Lease Obligations) determined on a consolidated basis in accordance with GAAP for such period.

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

"Lender" means each of the Persons identified as a "Lender" on the signature pages hereto, each other Person that becomes a "Lender" in accordance with this Agreement and their successors and assigns.

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

"Leverage Ratio" means, as of the end of any Fiscal Quarter, the ratio of Total Debt of the Borrower and its Subsidiaries as of such date to EBITDA of the Borrower and its Subsidiaries for such Fiscal Quarter and the immediately preceding three Fiscal Quarters.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset.

"Loan" means an extension of credit by a Lender to the Borrower under Article II in the form of a Term Loan.

"Loan Documents" means this Agreement, the Notes, the Fee Letter, the Subsidiary Guaranty, any Subsidiary Guaranty Supplements, the Funding Indemnity Letter, and all other documents and agreements contemplated hereby and executed by the Borrower or any Subsidiary of the Borrower in favor of the Administrative Agent or any Lender.

"Loan Notice" means a notice of (a) a Borrowing of Loans, (b) a conversion of Loans from one Type to the other, or (c) a continuation of Eurodollar Rate Loans, in each case pursuant to Section 2.02(a), which, if in writing, shall be substantially in the form of Exhibit A-1.

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

"Material Adverse Effect" means, with respect to any event, act, condition or occurrence of whatever nature (including any adverse determination in any litigation, arbitration, or governmental investigation or proceeding), whether singly or in conjunction with any other event or events, act or acts, condition or conditions, occurrence or

occurrences, whether or not related, a material adverse change in, or a material adverse effect upon, any of (a) the financial condition, results of operations, business, or properties of the Borrower and its Subsidiaries taken as a whole, (b) the rights and remedies of the Administrative Agent or the Lenders under the Loan Documents, or the ability of any of the Credit Parties to perform its obligations under the Loan Documents to which it is a party (such obligations to include, without limitation, payment of the Obligations and observance and performance of the covenants set forth in Articles VI and VII hereof), as applicable, or (c) the legality, validity or enforceability of any Loan Document.

"Material Indebtedness" means (a) Indebtedness (other than the Loans), or obligations in respect of one or more Swap Agreements, of any one or more of the Borrower and its Subsidiaries in an aggregate principal amount exceeding $25,000,000 and (b) the Existing Credit Agreements. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of the Borrower or any Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

"Material Subsidiary" means each Subsidiary that, as of the most recent Fiscal Quarter, for the period of four consecutive Fiscal Quarters then ended, for which financial statements have been delivered, or are required to have been delivered, pursuant to Section 6.01, contributed more than ten percent (10%) of the Borrower's consolidated revenues for such period. Such determinations shall be made with respect to Subsidiaries at each time that the financial statements for the Borrower and its Subsidiaries are delivered, or are required to be delivered, pursuant to Section 6.01, provided that if a Person becomes a Subsidiary pursuant to or in connection with an Acquisition, then such determination shall be made as of the date such Acquisition is consummated, based on the financial statements of such Person for its most recent quarter end (for the four fiscal quarters then ended) for which financial statements are available (which may be unaudited). Notwithstanding anything to the contrary contained herein, no Bank Subsidiary shall be a "Material Subsidiary".

"Maturity Date" means September 28, 2017; provided that if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day.

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

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Income" means, for any period, net income of the Borrower and its consolidated Subsidiaries for such period determined on a consolidated basis in accordance with GAAP, but excluding therefrom (to the extent included therein) (a) any earnings of Designated Subsidiaries and any equity interests in the earnings of joint ventures or other Persons that are not Subsidiaries, in each case to the extent such earnings are not actually paid in cash, and the Borrower or its Subsidiaries do not have the ability to cause such earnings to be paid in cash, to the Borrower or its Subsidiaries (other than Designated Subsidiaries) with respect to such period, (b) the after-tax impact of Non-Recurring Non- Cash Items and (c) the after-tax impact of Non-Recurring Cash Items incurred on or prior to May 31, 2013, relating to the security breach which occurred prior to the Closing Date, to the extent that the aggregate amount of such Non-Recurring Cash Items do not exceed $150,000,000 (on a pre-tax basis) in the aggregate during this Agreement. Further, to the extent that any Non-Recurring Cash Items are required to be included in net income, such Non-Recurring Cash Items will only be reflected (on an after-tax basis) in net income as such amounts are paid, and the cash portions of any Non-Recurring Cash Items will only be reflected (on an after-tax basis) in net income for pre-tax amounts that exceed the Non-Recurring Cash Items Charge Limit.

"Net Worth" means, as of any date, total shareholders' equity reflected on the consolidated balance sheet of the Borrower and its Subsidiaries as of such date prepared in accordance with GAAP.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 10.01 and (b) has been approved by the Required Lenders.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Non-Recurring Cash Items" means, for any period, an accounting item that impacts cash and is generally non-recurring in nature, including without limitation, the cash portions of gains, losses, asset impairments, restructuring charges, extraordinary items, unusual items, and the cumulative effect of changes in accounting principles. For illustrative purposes, an example of a Non-Recurring Cash Item is a restructuring charge that includes cash severance payments.

"Non-Recurring Cash Items Charge Limit" means during any Fiscal Year, an amount equal to three percent (3%) of the Net Worth of the Borrower and its Subsidiaries as of the end of the immediately preceding Fiscal Year.

"Non-Recurring Non-Cash Items" means, for any period, an accounting item that does not impact cash and is generally non-recurring in nature, including without limitation, the non-cash portions of gains, losses, asset impairments, restructuring charges, extraordinary items, unusual items, and the cumulative effect of changes in accounting principles.

"Note" or "Notes" has the meaning specified in Section 2.08.

"Obligations" means, collectively, all unpaid principal of and accrued and unpaid interest on all Loans, accrued and unpaid fees, and expenses, reimbursements, indemnities and other obligations of any Credit Party to the Lenders or to any Lender, the Administrative Agent or any Indemnitee hereunder arising under this Agreement or any other Loan Document, and all amounts payable by the Borrower under any Related Swap Agreement, and including interest and fees that accrue after the commencement by or against any Credit Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

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

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.06).

"Outstanding Amount" means with respect to any Loans on any date, the amount of the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of any Loans occurring on such date.

"Participant" has the meaning specified in Section 10.06(d).

"Participant Register" has the meaning specified in Section 10.06(d).

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Permitted Encumbrances" means:

(f) Liens imposed by law for taxes that are not yet due or are being contested in compliance with Section 6.04;

(g) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not Indebtedness, which do not in the aggregate materially impair the use thereof in the operation of the business;

(h) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(i) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(j) judgment liens in respect of judgments that do not constitute an Event of Default under clause (j) of Article VIII; and

(k) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Pari Passu Indebtedness" means senior secured indebtedness of the Borrower or any Guarantor providing for Liens securing such indebtedness and the Obligations as described in this Agreement on a pari passu basis with respect to all assets serving as collateral for such indebtedness and the Obligations, and providing for guaranties of such indebtedness by no Subsidiaries of the Borrower or any Guarantor other than Guarantors under this Agreement, and if such indebtedness is secured by Liens, subject in all respects to an intercreditor agreement negotiated in good faith by the Administrative Agent acting on behalf of the Lenders and the holders of such indebtedness or such holders' trustee, agent, or other representative, and making provisions for, among other things, the sharing of proceeds of collateral and amounts received or collected from guarantors in connection with such indebtedness and the Obligations.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Platform" has the meaning specified in Section 6.01.

"Public Lender" has the meaning specified in Section 6.01.

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

"Register" has the meaning specified in Section 10.06(c).

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

"Related Swap Agreement" means any Swap Agreement that is entered into by and between the Borrower and a Swap Provider.

"Reportable Event" means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section, with respect to a Plan, excluding, however, such events as to which the PBGC by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event, provided, however, that a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Code.

"Report on Compliance" means one or more reports of the Borrower and/or one or more of its Subsidiaries documenting compliance with the Payment Card Industry Security Standard promulgated by the Payment Card Industry Security Standards Council.

"Request for Credit Extension" means with respect to a Borrowing, conversion or continuation of Loans, a Loan Notice.

"Required Lenders" means, at any time, Lenders holding in the aggregate more than 50% of the outstanding Term Loan. The outstanding Term Loans held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

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

"Settlement Asset" means any cash, receivable or other property due to a Person in consideration for customer settlements made or arranged, or to be made or arranged, by such Person or an Affiliate of such Person.

"Settlement Facilities" means credit facilities obtained by the Borrower or any Subsidiary that provide for funding of short-term timing differences related to customer settlements.

"Settlement Payment" means the transfer, or contractual undertaking (including by automated clearing-house transaction) to effect a transfer, of cash or other property to effect a customer settlement.

"Significant Subsidiary" means each wholly owned Domestic Subsidiary that, as of the most recent Fiscal Quarter, for the period of four consecutive Fiscal Quarters then ended, for which financial statements have been delivered, or are required to have been delivered, pursuant to Section 6.01, contributed more than one percent (1%) (on a consolidated basis) of the Borrower's consolidated revenues for such period. Such determinations shall be made with respect to Subsidiaries at each time that the financial statements for the Borrower and its Subsidiaries are delivered, or are required to be delivered, pursuant to Section 6.01, provided that if a Person becomes a Subsidiary pursuant to or in connection with an Acquisition, then such determination shall be made as of the date such Acquisition is consummated, based on the financial statements of such Person for its most recent quarter end (for the four fiscal quarters then ended) for which financial statements are available (which may be unaudited).

"Subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent, or by the parent and one or more subsidiaries of the parent, and the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Subsidiary Guarantors" means each Subsidiary that is at any time a party to the Subsidiary Guaranty, whether on the Closing Date, pursuant to the execution and delivery to the Administrative Agent of a Subsidiary Guaranty Supplement pursuant to Section 6.09, or otherwise.

"Subsidiary Guaranty" means the Subsidiary Guaranty substantially in the form of Exhibit E (including any and all supplements thereto) executed and delivered by the Subsidiary Guarantors, in favor of the Administrative Agent, the Lenders and the Swap Providers.

"Subsidiary Guaranty Supplement" means each Supplement substantially in the form of Annex I to the Subsidiary Guaranty executed and delivered by a Subsidiary pursuant to Section 6.09.

"Surety Indemnification Obligations" means all obligations of the Borrower or any Subsidiary to indemnify any issuers for amounts required to be paid under any surety bonds issued by such issuers and posted in accordance with applicable legal requirements with any Governmental Authority at the request and for the use of the Borrower or any Subsidiary in the ordinary course of its business.

"Swap Agreement" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or the Subsidiaries shall be a Swap Agreement.

"Swap Provider" means any Person that, at the time it enters into a Swap Agreement is a Lender or an Affiliate of a Lender, in its capacity as a party to such Swap Agreement.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

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

"Term Loan Commitment" means, as to each Lender, its obligation to make its portion of the Term Loan to the Borrower pursuant to Section 2.01, in the principal amount set forth opposite such Lender's name on Schedule 2.01. The aggregate principal amount of the Term Loan Commitments of all of the Lenders as in effect on the Closing Date is $700,000,000.

"Total Debt" means at any date, all Indebtedness of the Borrower and its Subsidiaries measured on a consolidated basis as of such date (excluding therefrom, however, without duplication, Guarantees of Indebtedness of such Person or any of its Subsidiaries, respectively, by such Person or any such Subsidiary).

"Transactions" means the execution, delivery and performance by the Borrower of this Agreement and the borrowing of Loans, the use of the proceeds thereof.

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

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

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

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

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"2008 Credit Agreement" means that certain Credit Agreement dated as of June 23, 2008 by and among the Borrower, JPMorgan Chase Bank, National Association, as agent and a syndicate of lenders.

"2010 Credit Agreement" means that certain Credit Agreement dated as of December 7, 2010 by and among the Borrower, Bank of America, as agent and a syndicate of lenders.

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

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

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

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

. **Accounting Terms**.

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

(b) Changes in GAAP. If at any time any change in GAAP (including the adoption of IFRS) would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

(c) Consolidation of Variable Interest Entities. All references herein to consolidated financial statements of the Borrower and its Subsidiaries or to the determination of any amount for the Borrower and its Subsidiaries on a consolidated basis or any similar reference shall, in each case, be deemed to include each variable interest entity that the Borrower is required to consolidate pursuant to FASB Interpretation No. 46 -

Consolidation of Variable Interest Entities: an interpretation of ARB No. 51 (January 2003) as if such variable interest entity were a Subsidiary as defined herein.

. **Rounding**.

Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated in accordance with this Agreement and, if necessary, by carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

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

THE COMMITMENTS AND CREDIT EXTENSIONS

. **Term Loan**.

Subject to the terms and conditions set forth herein, each Lender severally agrees to make its portion of a term loan (the "Term Loan") to the Borrower in Dollars in a single advance on the Closing Date in an amount not to exceed such Lender's Term Loan Commitment. Amounts repaid on the Term Loan may not be reborrowed. The Term Loan may consist of Base Rate Loans or Eurodollar Rate Loans, or a combination thereof, as further provided herein.

. **Borrowings, Conversions and Continuations**.

(a) Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of Eurodollar Rate Loans shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by telephone. Each such notice must be received by the Administrative Agent not later than (i) 11:00 a.m. on the requested date of any Borrowings of Base Rate Loans and (ii) 1:00 p.m. three Business Days prior to the requested date of any Borrowing of, conversion to or continuation of Eurodollar Rate Loans or of any conversion of Eurodollar Rate Loans to Base Rate Loans; provided, however, that if the Borrower wishes to request Eurodollar Rate Loans having an Interest Period other than one week, two weeks, one, two, three or six months in duration as provided in the definition of "Interest Period," the applicable notice must be received by the Administrative Agent not later than 1:00 p.m. four Business Days prior to the requested date of such Borrowing, conversion or continuation of Eurodollar Rate Loans, whereupon the Administrative Agent shall give prompt notice to the applicable Lenders of such request and determine whether the requested Interest Period is acceptable to all of them. In the case of a request pursuant to the proviso in the preceding sentence, not later than 1:00 p.m. three Business Days before the requested date of such Borrowing, conversion or continuation of Eurodollar Rate Loans, the Administrative Agent shall notify the Borrower (which notice may be by telephone) whether or not the requested Interest Period has been consented to by all the applicable Lenders. Each telephonic notice by the Borrower pursuant to this Section 2.02(a) must be confirmed promptly by delivery to the Administrative Agent of a written Loan Notice, appropriately completed and signed by a Financial Officer. Each Borrowing of, conversion to or continuation of Eurodollar Rate Loans shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof. Each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof. Each Loan Notice (whether telephonic or written) shall specify (i) whether the Borrower is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of Eurodollar Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of Loan in a Loan Notice or if the Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Loans shall be made as, or converted to, Base Rate Loans. Any automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Eurodollar Rate Loans in any such Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(b) Following receipt of a Loan Notice, the Administrative Agent shall promptly notify each applicable Lender of the amount of its Applicable Percentage of the applicable Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each

applicable Lender of the details of any automatic conversion to Base Rate Loans as described in the preceding subsection. In the case of a Borrowing, each applicable Lender shall make the amount of its Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 1:00 p.m. on the Business Day specified in the applicable Loan Notice. Upon satisfaction of the applicable conditions set forth in Sections 4.01, the Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Borrower.

(c) Except as otherwise provided herein, a Eurodollar Rate Loan may be continued or converted only on the last day of an Interest Period for such Eurodollar Rate Loan. During the existence of an Event of Default, at the request of the Required Lenders or the Administrative Agent, no Loans may be requested as, converted to or continued as Eurodollar Rate Loans.

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

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

. **Prepayments**.

The Borrower may, upon notice from the Borrower to the Administrative Agent, at any time or from time to time voluntarily prepay the Term Loan in whole or in part without premium or penalty; provided, in each case, that (a) such notice must be received by the Administrative Agent not later than (i) 1:00 p.m. three Business Days prior to any date of prepayment of Eurodollar Rate Loans, and (ii) 11:00 a.m. on the date of prepayment of Base Rate Loans; (b) any prepayment of Eurodollar Rate Loans shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof; (c) any prepayment of Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding; and (d) any prepayment of the Term Loan shall be applied ratably to the remaining principal amortization payments thereof. Each such notice shall specify the date and amount of such prepayment, the Loans to be prepaid, and the Type(s) of Loans to be prepaid and, if Eurodollar Rate Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each applicable Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurodollar Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Subject to Section 2.11, each such prepayment shall be applied to the Loans of the applicable Lenders in accordance with their respective Applicable Percentages.

. **Repayment of Loans**.

The Borrower shall repay the outstanding principal amount of the Term Loan in installments on the dates and in the amounts set forth in the table below (as such installments may hereafter be adjusted as a result of prepayments made pursuant to Section 2.03), unless accelerated sooner pursuant to Section 9.02:

Payment Dates	Principal Amortization Payment
November 30, 2012	$17,500,000
February 28, 2013	$17,500,000
May 31, 2013	$17,500,000
August 31, 2013	$17,500,000
November 30, 2013	$17,500,000
February 28, 2014	$17,500,000
May 31, 2014	$17,500,000
August 31, 2014	$17,500,000
November 30, 2014	$17,500,000
February 28, 2015	$17,500,000
May 31, 2015	$17,500,000
August 31, 2015	$17,500,000
November 30, 2015	$17,500,000
February 29, 2016	$17,500,000
May 31, 2016	$17,500,000
August 31, 2016	$17,500,000
November 30, 2016	$17,500,000
February 28, 2017	$17,500,000
May 31, 2017	$17,500,000
August 31, 2017	$17,500,000
Maturity Date	Remaining outstanding amount of the Term Loan

. **Interest**.

(a) Subject to the provisions of subsection (b) below, (i) each Eurodollar Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurodollar Rate for such Interest Period plus the Applicable Rate; and (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate.

(b) (i) If any amount of principal of any Loan is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(i) If any amount (other than principal of any Loan) payable by the Borrower under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then upon the request of the Required Lenders, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) Upon the request of the Required Lenders, while any Event of Default exists, the Borrower shall pay interest on the principal amount of all outstanding Obligations hereunder at a

fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iii) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

. **Fees**.

The Borrower shall pay (i) to the Arrangers and the Administrative Agent for their own respective accounts, in Dollars, fees in the amounts and at the times specified in the Fee Letter, and (ii) to the Lenders, in Dollars, such fees, if any, as shall have been separately agreed upon in writing in the amounts and at the times so specified. All such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

. **Computation of Interest and Fees; Retroactive Adjustments of Applicable Rate**.

(a) All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to the Eurodollar Base Rate) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.09(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(b) If, as a result of any restatement of or other adjustment to the financial statements of the Borrower or for any other reason, the Borrower or the Lenders determine that (i) the Leverage Ratio as calculated by the Borrower as of any applicable date was inaccurate and (ii) a proper calculation of the Leverage Ratio would have resulted in higher pricing for such period, the Borrower shall immediately and retroactively be obligated to pay to the Administrative Agent for the account of the applicable Lenders, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States or other applicable Debtor Relief Law, automatically and without further action by the Administrative Agent or any Lender), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. This paragraph shall not limit the rights of the Administrative Agent or any Lender, as the case may be, under Article VIII. The Borrower's obligations under this paragraph shall survive the termination of all commitments and the repayment of all Obligations hereunder.

. **Evidence of Debt**.

The Loans made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Loans made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligations of the Borrower hereunder to pay any amount owing with respect to their respective Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender to the Borrower made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a promissory note, which shall evidence such Lender's Loans to the Borrower in addition to such accounts or records. Each such promissory note shall be in the form of Exhibit B (a "Note"). Each Lender may attach schedules to a Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

. **Payments Generally; Administrative Agent's Clawback**.

(a) General. All payments to be made by the Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. Except as may otherwise be provided in the definition of "Interest Period", if any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Eurodollar Rate Loans (or, in the case of any Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of a Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(i) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the applicable Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender to the Borrower as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrower by the Administrative Agent because

the conditions to the applicable Borrowing set forth in Article IV are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Loans and to make payments pursuant to Section 10.04(c) are several and not joint. The failure of any Lender to make any Loan or to make any payment under Section 10.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan or to make its payment under Section 10.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

. **Sharing of Payments by Lenders**. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Loans made by it resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Loans and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans of the other Lenders or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them, provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by or on behalf of the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than an assignment to the Borrower or any Subsidiary thereof (as to which the provisions of this Section shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

. **Defaulting Lenders**.

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendment. The Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 10.01.

(ii) Reallocation of Payments. Any payment of principal, interest, fees or other amount received by the Administrative Agent for the account of that Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise, and including any amounts made available to the Administrative Agent by that Defaulting Lender pursuant to Section 10.08), shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by that Defaulting Lender to the Administrative Agent hereunder; second, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; third, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and fourth, to that Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided, that, if such payment is a payment of the principal amount

of any Loans in respect of which that Defaulting Lender has not fully funded its appropriate share, such payment shall be applied solely to pay the Loans of all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of that Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 2.11(a)(ii) shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(b) Defaulting Lender Cure. If the Borrower and the Administrative Agent agree in writing in their sole discretion that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, whereupon that Lender will cease to be a Defaulting Lender; provided, that, no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; provided, further, that, except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender having been a Defaulting Lender.

TAXES, YIELD PROTECTION AND ILLEGALITY

. **Taxes**.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of any Credit Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Laws. If any applicable Laws (as determined in the good faith discretion of the Administrative Agent) require the deduction or withholding of any Tax from any such payment by the Administrative Agent or a Credit Party, then the Administrative Agent or such Credit Party shall be entitled to make such deduction or withholding, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If any Credit Party or the Administrative Agent shall be required by the Code to withhold or deduct any Taxes, including both United States Federal backup withholding and withholding taxes, from any payment, then (A) the Administrative Agent shall withhold or make such deductions as are determined by the Administrative Agent to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) the Administrative Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the Code, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Credit Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(iii) If any Credit Party or the Administrative Agent shall be required by any applicable Laws other than the Code to withhold or deduct any Taxes from any payment, then (A) such Credit Party or the Administrative Agent, as required by such Laws, shall withhold or make such deductions as are determined by it to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) such Credit Party or the Administrative Agent, to the extent required by such Laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Credit Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Credit Parties. Without limiting the provisions of subsection (a) above, the Credit Parties shall timely pay to the relevant Governmental Authority in accordance with applicable Laws, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnifications. (i) Each of the Credit Parties shall, and does hereby, jointly and severally indemnify each Recipient, and shall make payment in respect thereof within ten days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. Each of the Credit Parties shall, and does hereby, jointly and severally indemnify the Administrative Agent, and shall make payment in respect thereof within ten days after demand therefor, for any amount which a Lender for any reason fails to pay indefeasibly to the Administrative Agent as required pursuant to Section 3.01(c)(ii) below.

(ii) Each Lender shall, and does hereby, severally indemnify, and shall make payment in respect thereof within 10 days after demand therefor, (x) the Administrative Agent against any Indemnified Taxes attributable to such Lender (but only to the extent that any Credit Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Credit Parties to do so), (y) the Administrative Agent and the Credit Parties, as applicable, against any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.06(d) relating to the maintenance of a Participant Register and (z) the Administrative Agent and the Credit Parties, as applicable, against any Excluded Taxes attributable to such Lender that are payable or paid by the Administrative Agent or a Credit Party in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this clause (ii).

(d) Evidence of Payments. Upon request by any Credit Party or the Administrative Agent, as the case may be, after any payment of Taxes by such Credit Party or by the Administrative Agent to a Governmental Authority as provided in this Section 3.01, such Credit Party shall deliver to the Administrative Agent or the Administrative Agent shall deliver to such Credit Party, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to such Credit Party or the Administrative Agent, as the case may be.

(e) Status of Lenders; Tax Documentation.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(e)(ii)(A), 3.01(e)(ii)(B) and 3.01(e)(ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit F-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-2 or Exhibit F-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to

comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the Closing Date.

(iii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(f) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender, or have any obligation to pay to any Lender, any refund of Taxes withheld or deducted from funds paid for the account of such Lender. If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by any Credit Party or with respect to which any Credit Party has paid additional amounts pursuant to this Section 3.01, it shall pay to the Credit Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by a Credit Party under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Credit Party, upon the request of the Recipient, agrees to repay the amount paid over to the Credit Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to the Credit Party pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Credit Party or any other Person.

(g) Survival. Each party's obligations under this Section 3.01 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Term Loan Commitments and the repayment, satisfaction or discharge of all other Obligations.

. **Illegality**. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to the Eurodollar Base Rate, or to determine or charge interest rates based upon the Eurodollar Base Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, (i) any obligation of such Lender to make or continue Eurodollar Rate Loans or to convert Base Rate Loans to Eurodollar Rate Loans or, if such notice relates to the unlawfulness or asserted unlawfulness of charging interest based on the Eurodollar Base Rate, to make Base Rate Loans as to which the interest rate is determined with reference to the Eurodollar Base Rate, shall be suspended, until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), either prepay or convert all such Eurodollar Rate Loans of such Lender and Base Rate Loans as to which the interest rate is determined with reference to the Eurodollar Base Rate to Base Rate Loans as to which the rate of interest is not determined with reference to the Eurodollar Base Rate, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Rate Loans or a Base Rate Loan as to which the interest rate is determined with reference to the Eurodollar Base Rate. Notwithstanding the foregoing and despite the illegality for such a Lender to make, maintain or fund Eurodollar Rate Loans or Base Rate Loans as to which the interest rate is determined with reference to the Eurodollar Base Rate, that Lender shall remain committed to make and maintain Base Rate Loans as to

which the rate of interest is not determined with reference to the Eurodollar Base Rate and shall be entitled to recover interest at such Base Rate. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

. **Inability to Determine Rates**. If the Required Lenders determine that for any reason in connection with any request for a Eurodollar Rate Loan or a Base Rate Loan as to which the interest rate is determined with reference to the Eurodollar Base Rate or a conversion to or continuation thereof that (a) Dollar deposits are not being offered to banks in the London interbank eurodollar market for the applicable amount and Interest Period of such Eurodollar Rate Loan, (b) adequate and reasonable means do not exist for determining the Eurodollar Base Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or in connection with a Base Rate Loan, or (c) the Eurodollar Base Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or in connection with a Base Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain Eurodollar Rate Loans and Base Rate Loans as to which the interest rate is determined with reference to the Eurodollar Base Rate, shall be suspended until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice and during such period Base Rate Loans shall be made and continued based on the interest rate determined by the greater of clauses (a) and (b) in the definition of Base Rate. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans or, failing that, will be deemed to have converted such request into a request for a Borrowing of (or conversion to) Base Rate Loans in the amount specified therein.

. **Increased Costs**.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the Eurodollar Rate);

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Rate Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Loan the interest on which is determined by reference to the Eurodollar Rate (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any Lending Office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Term Loan Commitments of such Lender or the Loans made by such Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's right to

demand such compensation, provided that the Borrower shall not be required to compensate a Lender pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Additional Reserve Requirements. To the extent not already reflected in the calculation of any interest rate, the Borrower shall pay to each Lender as long as such Lender shall be required to comply with any reserve ratio requirement or analogous requirement of any central banking or financial regulatory authority imposed in respect of the maintenance of the Term Loan Commitments or the funding of the Eurodollar Rate Loans, such additional costs (expressed as a percentage per annum and rounded upwards, if necessary, to the nearest five decimal places) equal to the actual costs allocated to such Term Loan Commitments or Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, provided the Borrower shall have received at least 10 days' prior notice (with a copy to the Administrative Agent) of such additional costs from such Lender. If a Lender fails to give notice 10 days prior to the relevant Interest Payment Date, such additional costs shall be due and payable 10 days from receipt of such notice.

. **Compensation for Losses**. Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by the Borrower; or

(c) any assignment of a Eurodollar Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 10.13;

including any loss of anticipated profits and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan, from fees payable to terminate the deposits from which such funds were obtained or from the performance of any foreign exchange contract. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Eurodollar Rate Loan made by it at the Eurodollar Base Rate used in determining the Eurodollar Rate for such Loan by a matching deposit or other borrowing in the London interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan was in fact so funded.

. **Mitigation Obligations; Replacement of Lenders**.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.04, or the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then such Lender shall, as applicable, use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental

Authority for the account of any Lender pursuant to Section 3.01 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 3.06(a), the Borrower may replace such Lender in accordance with Section 10.13.

. **Survival**. All of the Borrower's obligations under this Article III shall survive the termination of the commitments and the repayment of all Obligations hereunder, and resignation of the Administrative Agent.

CONDITIONS PRECEDENT

. **Conditions to Effectiveness and Initial Credit Extension**. The occurrence of the Closing Date and the obligation of each Lender to make its initial Credit Extension hereunder on the Closing Date is subject to satisfaction of the following conditions precedent:

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent (or its counsel) shall have received (i) from the Borrower, a Note for each Lender as has been requested by such Lender and (ii) from the Guarantors, the Subsidiary Guaranty signed by all such parties.

(c) The Administrative Agent shall have received the favorable written opinions (addressed to the Administrative Agent and the Lenders and dated the Closing Date), in a form reasonably satisfactory to the Administrative Agent, and covering such other matters relating to the Credit Parties, this Agreement, the Loan Documents or the Transactions as the Required Lenders shall reasonably request. The Borrower hereby requests such counsel to deliver such opinions.

(d) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of each Credit Party, the authorization of the Transactions to which such Credit Party is a party, and any other legal matters relating to the Credit Parties, this Agreement, the Loan Documents or the Transactions, all in form and substance satisfactory to the Administrative Agent and its counsel.

(e) The Administrative Agent shall have received a certificate, dated the Closing Date and signed by the President of the Borrower or a Financial Officer, confirming that:

(i) on the Closing Date, both before and after giving effect to the Credit Extensions and the other Transactions occurring on such date, no Default or Event of Default shall have occurred and be continuing; and

(ii) the representations and warranties contained in Article V of this Agreement (including, without limitation, the representation and warranty set forth in Section 5.04(b)) shall be true in all material respects on and as of the date of such Borrowing except for changes expressly permitted herein and except to the extent that such representations and warranties relate solely to an earlier date (in which event such representations and warranties shall have been true in all material respects on and as of such earlier date).

(f) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Closing Date, including (i) any fees payable under this Agreement or the Fee Letter, and (ii) to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder.

(g) The Administrative Agent shall have received certified copies of all consents, approvals, authorizations, registrations, filings and orders required to be made or obtained by all Borrower and all Guarantors in connection with the financings evidenced by this Agreement and the other Transactions, and all such consents, approvals, authorizations, registrations, filings and orders shall be in full force and effect and all applicable waiting periods shall have expired, and no investigation or inquiry by any Governmental Authority in respect of such financings or other Transactions shall be ongoing.

(h) Since May 31, 2012, there shall have occurred no events, acts, conditions or occurrences of whatever nature, singly or in the aggregate, that have had, or are reasonably expected to have, a Material Adverse Effect.

(i) No actions, suits or other legal proceedings shall be pending or, to the knowledge of the Borrower, threatened, against or affecting the Borrower or the Guarantors and seeking to enjoin, restrain, or

otherwise challenge or contest the validity of the financings evidenced by this Agreement or the other Transactions. The Borrower shall have delivered or otherwise made available to the Administrative Agent and the Lenders the consolidated financial statements for the Borrower and its Subsidiaries for the Fiscal Year ended May 31, 2012, including balance sheet and income and cash flow statements, audited by independent public accountants of recognized national standing and prepared in conformity with GAAP, and such other financial information as the Administrative Agent or the Required Lenders may have reasonably requested.

(j) The Borrower shall have duly completed and submitted to the Administrative Agent a Loan Notice for funding of its Loans, and the Administrative Agent shall have received, not less than three Business Days prior to the Closing Date, a fully-executed Funding Indemnity Letter.

(k) The Administrative Agent shall have received satisfactory evidence that (i) no new security breach or significant expansion of the existing security breach (as described in the Form 10-K of the Borrower, filed on July 27, 2012) shall have occurred; and (ii) the amount of the special charge for the security breach for fiscal years 2012 and 2013 announced on the Borrower's July 26, 2012 earnings call shall not have collectively increased by more than 20%.

(l) The Administrative Agent shall have received all other documents, certificates, and other information as the Administrative Agent may reasonably request.

Without limiting the generality of the provisions of the last paragraph of Section 9.03, for purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

. **Conditions to All Credit Extensions**.

The obligation of each Lender to honor any Request for Credit Extension is subject to the following conditions precedent:

(a) The representations and warranties of the Borrower and each other Credit Party contained in Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct on and as of the date of such Credit Extension, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date.

(b) No Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) The Administrative Agent shall have received a Request for Credit Extension in accordance with the requirements hereof.

Each Request for Credit Extension submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 4.02(a) and (b) have been satisfied on and as of the date of the applicable Credit Extension.

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Administrative Agent and the Lenders that:

. **Organization; Powers**. The Borrower and each of its Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

. **Authorization; Enforceability**. The Transactions are within each Credit Party's organizational powers and have been duly authorized by all necessary organizational action and, if required, the action by the holders

of such Credit Party's Equity Interests. This Agreement and each other Loan Document has been duly executed and delivered by each Credit Party thereto and constitutes a legal, valid and binding obligation of each Credit Party, enforceable in accordance with its terms, subject to applicable Debtor Relief Law and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

. **Governmental Approvals; No Conflicts**. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, (b) will not violate any applicable law or regulation or Organization Documents of any of the Credit Parties or any order of any Governmental Authority, (c) will not violate or result in a default under any material indenture, agreement or other instrument binding upon any of the Credit Parties or its assets (including either of the Existing Credit Agreements), and (d) will not result in the creation or imposition of any Lien on any asset of any of the Credit Parties, other than as expressly permitted by the Loan Documents.

. **Financial Condition; No Material Adverse Change**.

(a) The Borrower has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, stockholders equity and cash flows as of and for the Fiscal Year ended May 31, 2012, reported on by Deloitte & Touche LLP, independent public accountants. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above.

(b) Since May 31, 2012, there have been no events, acts, conditions or occurrences, singly or in the aggregate, that have had or could reasonably be expected to have a Material Adverse Effect.

. **Properties**.

(a) Each of the Borrower and its Subsidiaries has good title to, or valid leasehold interests in, all its real and Personal property sufficient for the conduct of its business, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes, in each case free and clear of all Liens except as expressly permitted by the Loan Documents.

(b) Each of the Borrower and its Subsidiaries owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business, free and clear of all Liens except as expressly permitted by the Loan Documents, and the use thereof by the Borrower and its Subsidiaries does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

. **Litigation and Environmental Matters**.

(a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its Subsidiaries (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve this Agreement or the Transactions.

(b) Except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Borrower nor any of its Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, or (ii) has become subject to any Environmental Liability.

. **Compliance with Laws and Agreements**. Except where such compliance is being contested in good faith by appropriate proceedings, each of the Borrower and its Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

. **Investment Company Status**. Neither the Borrower nor any of its Subsidiaries is an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940.

. **Taxes**. Each of the Borrower and its Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such

Subsidiary, as applicable, has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

. **ERISA**. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than $5,000,000 the fair market value of the assets of such Plan, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than $5,000,000 the fair market value of the assets of all such underfunded Plans.

. **Subsidiaries**. Schedule 5.11 to this Agreement lists each Subsidiary of the Borrower as of the Closing Date and accurately sets forth for such Subsidiary the type of entity, its jurisdiction of organization, the holders of its Equity Interests, and whether as of the Closing Date such Subsidiary is a Significant Subsidiary and/or a Material Subsidiary.

. **Margin Securities**. Neither the Borrower nor any of its Subsidiaries (i) is engaged in the business of purchasing or carrying "margin stock" as defined in Regulation U of the Board, or (ii) has used any proceeds of any Loans to purchase or carry any such "margin stock" contrary to the provisions of Regulation U or Regulation X of the Board.

. **Disclosure**. None of the reports, financial statements, certificates and other information furnished by or on behalf of the Borrower to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading at the time made or delivered; provided that, with respect to projected financial information, the Borrower represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

. **Taxpayer Identification Number; Other Identifying Information**. The true and correct U.S. taxpayer identification number of the Borrower is set forth on Schedule 10.02.

AFFIRMATIVE COVENANTS

So long as any Lender shall have any Term Loan Commitment hereunder or any Term Loan or other Obligation hereunder shall remain unpaid or unsatisfied, the Borrower covenants and agrees with the Lenders and the Administrative Agent that:

. **Financial Statements and Other Information**. The Borrower will furnish to the Administrative Agent and each Lender:

(a) within 100 days after the end of each Fiscal Year of the Borrower (or such shorter period for the delivery of such statements as is required by either of the Existing Credit Agreements), its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all reported on by Deloitte & Touche LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within 50 days after the end of each of the first three Fiscal Quarters of each Fiscal Year of the Borrower (or such shorter period for the delivery of such statements as is required by either of the Existing Credit Agreements), its consolidated balance sheet and related statements of operations and cash flows as of the end of and for such Fiscal Quarter and the then elapsed portion of the Fiscal Year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous Fiscal Year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its

consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a Compliance Certificate signed by a Financial Officer (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Sections 7.07 and 7.08, and (iii) describing in reasonable detail any change in GAAP or in the application thereof that has occurred since the date of the audited financial statements for the immediately preceding Fiscal Year that is material with respect to the financial statements accompanying such certificate;

(d) promptly after the same become publicly available, copies of all annual and quarterly reports filed by the Borrower or any Subsidiary with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, as the case may be;

(e) promptly upon the receipt thereof, a copy of any management letter or management report prepared by the Borrower's independent certified public accountants in conjunction with the financial statements described in Section 6.01(a); and

(f) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Borrower or any Subsidiary, or compliance with the terms of this Agreement, as the Administrative Agent or any Lender may reasonably request.

Notwithstanding the foregoing requirements for delivery of annual and quarterly financial statements and reports and other filings in Section 6.01(a), (b) and (d) above (to the extent such documents are included in material otherwise filed with the SEC), and notices required to be given pursuant to Section 6.02, such delivery and notice requirements may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet at the website address listed on Schedule 10.02; or (ii) on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent) including, to the extent the Lenders and the Administrative Agent have access thereto and such documents are available thereon, the EDGAR Database and sec.gov; provided that the Borrower shall notify the Administrative Agent and each Lender (by facsimile or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. The Administrative Agent shall have no obligation to request the delivery or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Borrower hereby acknowledges that (a) the Administrative Agent and/or MLPFS will make available to the Lenders materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on Debt Domain, IntraLinks, Syndtrak or another similar electronic system (the "Platform") and (b) certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to either of the Borrower or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Person's securities. The Borrower hereby agrees that so long as the Borrower is the issuer of any outstanding debt or equity securities that are registered or issued pursuant to a private offering or is actively contemplating issuing any such securities (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Administrative Agent, MLPFS and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower or its securities for purposes of United States Federal and state securities laws (provided that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 10.07); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (z) the Administrative

Agent and the Arranger shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated as "Public Side Information." Notwithstanding the foregoing, the Borrower shall be under no obligation to mark any Borrower Materials "PUBLIC."

. **Notices of Material Events**. The Borrower will furnish to the Administrative Agent and each Lender prompt (and in any event within five Business Days) written notice of the following:

(a) the occurrence of any Default or Event of Default;

(b) the filing or commencement of any actions, suits or proceedings by or before any arbitrators or Governmental Authorities against or affecting the Borrower or any Subsidiaries or other Affiliates thereof that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect;

(c) if and when the Borrower or any member of the ERISA Affiliate (i) gives or is required to give notice to the PBGC of any Reportable Event with respect to any Plan which might reasonably be expected to constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given or is required to give notice of any such Reportable Event, a copy of the notice of such Reportable Event given or required to be given to the PBGC, (ii) receives notice of complete or partial withdrawal liability under Title IV of ERISA, a copy of such notice, or (iii) receives notice from the PBGC under Title IV of ERISA of an intent to terminate or appoint a trustee to administer any Plan, a copy of such notice, in each case where such Reportable Event, withdrawal liability, termination or appointment could reasonably be expected to have or cause a Material Adverse Effect; and

(d) the cancellation or termination of any material agreement or the receipt or sending of written notice of default or intended termination or cancellation of any material agreement, in any case that could reasonably be expected to have a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

. **Maintenance of Existence**. The Borrower shall at all times maintain its legal existence in the jurisdiction of its organization. The Borrower shall cause each of the Material Subsidiaries to maintain its legal existence, provided, that (i) the Borrower may dissolve Subsidiaries from time to time if (x) the Borrower has determined that such dissolution is desirable, and (y) such dissolution could not reasonably be expected to have or cause a Material Adverse Effect, or (ii) the Borrower or any Subsidiary may eliminate or discontinue a business line pursuant to Section 7.03(b).

. **Payment of Obligations**. The Borrower will, and will cause each of its Subsidiaries to, pay its obligations, including Tax liabilities, that, if not paid, could reasonably be expected to result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, and the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (b) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

. **Maintenance of Properties; Insurance**. The Borrower will, and will cause each of its Subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect, (b) maintain and keep in full force and effect all rights in respect of Intellectual Property used in the business of the Borrower and its Subsidiaries, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect, and (c) maintain, with financially sound and reputable insurance companies or through adequate self-insurance programs, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations or consistent with past practices of the Borrower and such Subsidiaries.

. **Books and Records; Inspection Rights**. The Borrower will (i) keep, and cause each of its Subsidiaries to keep, proper books of record and account in which full, true and correct entries in conformity with GAAP shall be made of all dealings and transactions in relation to its business and activities; and (ii) permit, and cause each of its Subsidiaries to permit, representatives of any Lender, after written notice to an officer of the Borrower or Subsidiary, at such Lender's expense during any period in which a Default or Event of Default is not in existence and at the

Borrower's expense during any period in which a Default or Event of Default is in existence, to visit (which date of visit shall be two (2) Business Days after the date such request is made or any earlier date as may be mutually agreed by the Borrower and such Lender) and inspect any of their respective properties, to examine and make abstracts from any of their respective books and records and to discuss their respective affairs, finances and accounts with their respective officers, employees and independent public accountants. The Borrower agrees to cooperate and assist in such visits and inspections, in each case at such reasonable times and as often as may reasonably be desired. Notwithstanding the foregoing, during any period in which no Event of Default is in existence, neither the Administrative Agent nor any Lender may engage in (i) more than two inspections per Fiscal Year or (ii) discussions with the Borrower's independent public accountants, unless the Borrower shall have otherwise consented to same.

. **Compliance with Laws**. The Borrower will, and will cause each of its Subsidiaries and each of its ERISA Affiliates to, comply with applicable laws (including but not limited to ERISA), regulations, executive orders, and similar requirements of governmental authorities (including but not limited to PBGC), except where the necessity of such compliance is being contested in good faith through appropriate proceedings or except where the noncompliance with which could not be reasonably expected to cause or result in a Material Adverse Effect.

. **Use of Proceeds**. The proceeds of the Loans shall be used solely (a) to refinance existing Indebtedness (including, at the Borrower's option, outstanding amounts under the 2010 Credit Agreement and/or the 2008 Credit Agreement), (b) to finance Acquisitions and the fees and expenses related thereto, (c) to pay fees and expenses incurred in connection with this Agreement and/or (d) for other lawful corporate purposes (including, without limitation, share repurchases).

. **Additional Guarantors**. (a) Not later than 30 days (or such longer period as the Administrative Agent may agree) after the date required for delivery of any quarterly or annual financial statements pursuant to Section 6.01, if any Domestic Subsidiary (other than a Bank Subsidiary) that is not a Guarantor as of the period end date of such financial statements would qualify as of such period end date as a Significant Subsidiary or (b) promptly (or such period as the Administrative Agent may agree) after the date that any Subsidiary becomes a guarantor with respect to any Existing Credit Agreement, the Borrower shall cause such Subsidiary to execute and deliver to the Administrative Agent a Subsidiary Guaranty Supplement pursuant to which such Subsidiary agrees to be bound by the terms and provisions of the Subsidiary Guaranty, accompanied by (i) all other Loan Documents related thereto, (ii) certified copies of the certificates or articles of incorporation, organization or formation, by-laws, limited liability company agreements, partnership agreements, and other applicable Organization Documents, appropriate authorizing resolutions of the board of directors, board of managers, or comparable body, and opinions of counsel for such Subsidiary comparable to those delivered pursuant to Section 4.01, and (iii) such other documents as the Administrative Agent may reasonably request. The Borrower may request that any Guarantor cease to be a Guarantor and be released and discharged from its obligations under the Subsidiary Guaranty if (i) the Equity Interests of such Guarantor are being sold or otherwise disposed of, or such Guarantor is being dissolved, in a transaction not prohibited by the terms of this Agreement, or (ii) such Guarantor both (A) (x) has ceased to qualify as a Significant Subsidiary as indicated by the most recent quarterly or annual financial statements delivered pursuant to Section 6.01 or (y) after giving pro forma effect to any Asset Sale or sale or other disposition made by such Guarantor or Subsidiaries of such Guarantor as if such Asset Sale or disposition occurred during the most recent period for which financial statements have been delivered pursuant to Section 6.1, would cease to qualify as a Significant Subsidiary and (B) has or is being released as a guarantor of the obligations of the Borrower under both of the Existing Credit Agreements (if and to the extent then existing, as applicable).

NEGATIVE COVENANTS

So long as any Lender shall have any Term Loan Commitment hereunder or any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, the Borrower covenants and agrees with the Lenders and the Administrative Agent that:

. **Subsidiary Indebtedness**. The Borrower will not permit any Subsidiary (other than a Subsidiary Guarantor) to create, incur or suffer to exist any Indebtedness, other than:

(a) Indebtedness existing on the date of this Agreement and described on Schedule 7.01;

(b) Indebtedness secured by Liens permitted pursuant to the terms of Section 7.02(a)(iii);

(c) Indebtedness of such Subsidiary owing to the Borrower or any other Subsidiary;

(d) [Reserved];

(e) Indebtedness arising from the renewal or extension of any Indebtedness described in clauses (a), (b), (f) or (k), provided that the amount of such Indebtedness is not increased and any Liens securing such Indebtedness attached only to the assets previously serving as collateral for such Indebtedness prior to such renewal or extension;

(f) Indebtedness owing by such Subsidiary that was in existence at the time such Person first became a Subsidiary, or at the time such Person was merged into or consolidated with a Subsidiary, which Indebtedness was not created or incurred in contemplation of such event, provided that such Indebtedness is at the time permitted pursuant to the terms of Section 7.02 (in the case of any Indebtedness secured by any Liens on assets of such Subsidiary);

(g) Indebtedness resulting from Surety Indemnification Obligations of such Subsidiary;

(h) Indebtedness, if any, which may be deemed to exist with respect to Swap Agreements;

(i) Indebtedness, if any, that may exist in respect of deposits or payments made by customers or clients of such Subsidiaries;

(j) Indebtedness owed in respect of any netting services, overdrafts and related liabilities arising from treasury, depository and cash management services or in connection with any automated clearing−house transfers of funds or in respect of letters of credit or bankers' acceptances supporting trade payables;

(k) other Indebtedness of such Subsidiaries not described in clauses (a) through (j) or (l) incurred or created following the Closing Date (including any incurrence of Indebtedness under the 2010 Credit Agreement following the Closing Date) so long as on the date of such incurrence or creation the sum of (A) the aggregate principal amount of such Indebtedness and (B) the aggregate principal amount of all Indebtedness incurred under clauses (a), (e) (in the case of renewals or extension of Indebtedness described in clauses (a) or (k)), and (k) and outstanding on such date, does not exceed an amount equal to twenty-five percent (25%) of Net Worth as at the end of the Borrower's most recently ended Fiscal Quarter for which financial statements have been made available, or are required to have been made available, to the Administrative Agent prior to such date; and

(l) all premiums (if any), interest, fees, expenses, charges and additional or contingent interest on obligations described in clauses (a) through (k).

. **Liens**. The Borrower will not, nor will the Borrower permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) (i) Liens existing on the date of this Agreement and described on Schedule 7.02 securing Indebtedness outstanding on the date of this Agreement;

(i) Liens existing on any asset of any Person at the time such Person becomes a Subsidiary, or at the time such Person was merged into or consolidated with the Borrower or a Subsidiary, which Lien was not created in contemplation of such event and, if such Lien secures Indebtedness of a Subsidiary, such Indebtedness is permitted pursuant to the terms of Section 7.01;

(ii) Liens on any asset securing Indebtedness (including, without limitation, a Capital Lease Obligation) incurred or assumed for the purpose of financing all or any part of the cost of acquiring or constructing such asset, provided that such Lien (x) attaches to such asset (and no other asset) concurrently with or within 18 months after the acquisition or completion of construction thereof, and (y) secures solely such Indebtedness incurred or assumed for the purpose of financing all or any part of the cost of acquiring or constructing such asset; provided that the aggregate amount of Indebtedness secured by Liens permitted pursuant to this clause (a)(iii) of this Section 7.02 shall count toward usage of the basket for Liens contained in clause (k) below;

(b) Liens securing Permitted Pari Passu Indebtedness, provided that all requirements and conditions set forth in the definition of the term “Permitted Pari Passu Indebtedness” shall be satisfied at all times any such Liens are in effect;

(c) Liens securing Indebtedness owing by the Borrower or any Subsidiary to any Credit Party;

(d) Liens arising out of the refinancing, extension, renewal or refunding of any Indebtedness secured by any Lien permitted by any of the foregoing clauses (a) through (c) of this Section, provided that (i) such Indebtedness is not secured by any additional assets, and (ii) the amount of such Indebtedness secured by any such Lien is not increased;

(e) Permitted Encumbrances;

(f) Liens in respect of any taxes which are either (x) not, as at any date of determination, due and payable or (y) being contested in good faith as permitted by Section 6.04;

(g) Liens (x) on the Canadian Receivables Collateral securing obligations under the Canadian Receivables Credit Facility; and (y) securing obligations arising under other Settlement Facilities and attaching only to those receivables payable in respect of such Settlement Facilities;

(h) Liens on cash and cash equivalents deposited or pledged in the ordinary course of business to secure Surety Indemnification Obligations;

(i) Liens arising due to any cash pooling, netting or composite accounting arrangements;

(j) customary rights of set-off, revocation, refund or chargeback or similar rights under deposit, disbursement or concentration account agreements or under the Uniform Commercial Code (or comparable foreign law) or arising by operation of law in favor of banks or other financial institutions where the Borrower or any of the Subsidiaries maintains deposit, disbursement or concentration accounts in the ordinary course of business; and

(k) other Liens securing Indebtedness in an aggregate amount not to exceed 10% of Net Worth as at the end of the Borrower's most recently ended Fiscal Quarter for which financial statements have been made available, or are required to have been made available, to the Administrative Agent.

. **Consolidations, Mergers and Sales of Assets**. The Borrower will not, nor will the Borrower permit any of its Material Subsidiaries to, consolidate or merge with or into, or effect any Asset Sale to, any other Person, or discontinue or eliminate any Material Subsidiary or business segment, provided that:

(a) the Borrower may merge with another Person if (i) the Borrower is the corporation surviving such merger and (ii) immediately after giving effect to such merger, no Default or Event of Default shall have occurred and be continuing;

(b) Subsidiaries (i) may merge with, and sell assets to, another Subsidiary, provided that if one of the Persons involved in such merger or sale is a Credit Party, the surviving Person or transferee in any such transaction is or becomes by virtue thereof a Credit Party, (ii) may merge with, and sell assets to, the Borrower, so long as the surviving Person or transferee in any such transaction is the Borrower, and (iii) may merge with another Person (other than the Borrower or another Subsidiary) if (x) such Subsidiary is the Person surviving such merger or such Person becomes a Subsidiary by virtue thereof, and (y) no Default or Event of Default shall have occurred and be continuing;

(c) the Borrower and its Subsidiaries may eliminate or discontinue business lines and segments from time to time if such elimination or discontinuance could not reasonably be expected to have a Material Adverse Effect;

(d) so long as no Event of Default shall then have occurred and be continuing or would result therefrom, the Borrower and its Subsidiaries may effect any Asset Sale so long as the assets to be sold pursuant to all such Asset Sales during any Fiscal Year have not contributed, in the aggregate, more than twenty-five percent (25%) of the EBITDA of the Borrower for the then-most recently completed period of four consecutive Fiscal Quarters for which financial statements are available (with the determination of such contribution to EBITDA to be made by the Borrower in a manner reasonably acceptable to the Administrative Agent); and

(e) Subsidiaries which are formed for the sole purpose of (1) merging into Persons that will become Subsidiaries or (2) acquiring the assets or Equity Interests of Persons and thereafter becoming Subsidiaries, may merge with such Persons or consolidate those Persons' assets with the assets of those Subsidiaries so long as such acquisitions and related transactions are otherwise permitted by this Agreement.

. **Lines of Business**. Neither the Borrower, nor any Significant Subsidiary (other than any Bank Subsidiary) shall conduct or enter into any business, either directly or through any other Subsidiary, except for any business that is the same or substantially similar as that of the Borrower or its existing Subsidiaries or such other businesses arising therefrom or reasonably related to the payment services, financial services, transaction processing or money transfer businesses. No Bank Subsidiary shall conduct or enter into any business except for banking or similarly regulated businesses.

. **Transactions with Affiliates**. The Borrower will not, nor will the Borrower permit any Subsidiary to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, in any case where such transactions, singly or in the aggregate, are material to the Borrower and its Subsidiaries, taken as a whole, except (a) at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary in any material respect than could be

obtained on an arm's-length basis from unrelated third parties, and (b) transactions between or among the Borrower and any Guarantors not involving any other Affiliate.

. **Accounting Changes**. The Borrower will not, nor will the Borrower permit any Subsidiary to, make any significant change in accounting practices, except as required or permitted by GAAP.

. **Leverage Ratio**. The Leverage Ratio at the end of each Fiscal Quarter shall not be greater than 2.50 to 1.00 for the Fiscal Quarter just ended and the immediately preceding three Fiscal Quarters; provided the maximum Leverage Ratio permitted pursuant to this Section 7.07 shall be increased to 3.25 to 1.00 on and after the earlier to occur of (i) the date the Borrower is listed on the publicly available list of PCI compliant processors and (ii) receipt by the Administrative Agent of reasonably satisfactory documentation demonstrating the approval of the Report on Compliance by card networks representing at least 80% of the North American portion of Consolidated EBITDA of the Borrower and its Subsidiaries.

. **Fixed Charge Coverage Ratio**. The ratio of (i) EBITR to (ii) Fixed Charges as at the end of each Fiscal Quarter, shall not be less than 2.50 to 1.00 for the Fiscal Quarter just ended and the immediately preceding three Fiscal Quarters.

EVENTS OF DEFAULT AND REMEDIES

. **Events of Default**. Any of the following shall constitute an Event of Default:

(a) The Borrower shall fail to pay when and as required to be paid herein, any principal of any Loan;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied thereafter for a period of five Business Days;

(c) any representation or warranty made or deemed made in writing by or on behalf of the Borrower or any Subsidiary in or in connection with this Agreement, in any other Loan Document, or any amendment or modification hereof or waiver hereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any amendment or modification hereof or waiver hereunder, shall prove to have been untrue or incorrect in any material respect when made or deemed made;

(d) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 6.02(a), Section 6.03 (with respect to the Borrower's existence) or Section 6.08, or in Article VII;

(e) any Credit Party shall fail to observe or perform any covenant, condition or agreement contained in any Loan Document (other than those specified in clause (a), (b), (c) or (d) of this Article), and such failure shall continue unremedied for a period of 30 days after (i) any officer of the Borrower becomes aware thereof, or (ii) notice thereof from the Administrative Agent to the Borrower (which notice will be given at the request of any Lender);

(f) the Borrower or any Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable or within any applicable grace period for such payment;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holders of any Material Indebtedness or any trustees or agents on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to secured Indebtedness or Indebtedness of a Subsidiary that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness or of all the Equity Interests of such Subsidiary, as the case may be, in a transaction otherwise expressly permitted under this Agreement, and such Indebtedness is paid at or prior to the time it becomes due as a result of such transaction;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Material Subsidiary or its debts, or of a substantial part of its assets, under any Debtor Relief Law or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Debtor Relief Law, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or cease to pay its debts generally as such debts become due, (vi) take any action for the purpose of effecting any of the foregoing;

(j) one or more final judgments for the payment of money in an aggregate amount in excess of $25,000,000 (exclusive of amounts covered by insurance) shall be rendered against the Borrower, any Subsidiary or any combination thereof and the same shall remain undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed or deferred, or the judgment or judgments shall not have been paid in full or otherwise released or discharged;

(k) the Borrower or any of its ERISA Affiliates shall fail to pay when due any material amount which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Plan or Plans shall be filed under Title IV of ERISA by the Borrower, any of its ERISA Affiliates, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any such Plan or Plans or a proceeding shall be instituted by a fiduciary of any such Plan or Plans to enforce Section 515 or 4219(c) (5) of ERISA and such proceeding shall not have been dismissed within 30 days thereafter; or federal tax liens and/or liens of the PBGC under Section 4068 of ERISA shall be rendered or filed against the Borrower or any of its ERISA Affiliates which shall continue unsatisfied, unreleased and unstayed for a period of 60 days; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any such Plan or Plans must be terminated; or the Borrower or any its ERISA Affiliates shall be obligated to contribute to, terminate its participation in, or incur any withdrawal liability with respect to, a Multiemployer Plan; provided, that no Default or Event of Default shall arise under this paragraph (k) unless, in the reasonable opinion of the Required Lenders, when taken together with all other events described in this clause (k) that have occurred, the foregoing matters could reasonably be expected to result in liability of the Borrower and its Subsidiaries in an aggregate amount exceeding $25,000,000;

(l) a Change in Control shall occur; or

(m) (i) the Subsidiary Guaranty shall cease to be enforceable, (ii) the Borrower or any Subsidiary shall assert that any Loan Document is not enforceable, or (iii) any default or event of default under any other Loan Document shall occur or exist and continue in effect beyond any applicable period to cure such default or event of default;

then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i) of this Section), and at any time thereafter during the continuance of such event, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Term Loan Commitments, and thereupon the Term Loan Commitments shall terminate immediately, (ii) declare all Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower, and (iii) exercise on behalf of itself, the Lenders all rights and remedies available to it, the Lenders under the Loan Documents; and in case of any event with respect to the Borrower described in clause (h) or (i) of this Section, the Term Loan Commitments shall automatically terminate and the principal of all Term Loans then outstanding, together with accrued interest thereon and all fees and other Obligations accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower, in each case without further act of the Administrative Agent or any Lender.

. **Application of Funds**. After the exercise of remedies provided for in Section 8.01 (or after the Loans have automatically become immediately due and payable as set forth in the last paragraph of

Section 8.01), any amounts received on account of the Obligations shall be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent to the extent payable under Section 10.04 and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations arising under the Loan Documents constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders (including fees, charges and disbursements of counsel to the respective Lenders to the extent payable under Section 10.04 and amounts payable under Article III), ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans and Obligations arising under the Loan Documents, ratably among the Lenders in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans and Obligations then owing under Related Swap Agreements, ratably among the Lenders and the Swap Providers in proportion to the respective amounts described in this clause Fourth held by them;

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

ADMINISTRATIVE AGENT

. **Appointment and Authority**. Each of the Lenders hereby irrevocably appoints Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the Borrower shall not have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

. **Rights as a Lender**. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

. **Exculpatory Provisions**. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or

applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.01 and 8.01) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to the Administrative Agent by the Borrower or a Lender.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

. **Reliance by Administrative Agent**.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Credit Parties), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

. **Delegation of Duties**. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

. **Resignation of Administrative Agent**.

(h) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the

Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(i) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(j) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (ii) except for any indemnity payments or other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Administrative Agent (other than as provided in Section 3.01(g) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

. **Non-Reliance on Administrative Agent and Other Lenders**. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

. **No Other Duties, Etc**. Anything herein to the contrary notwithstanding, none of the Bookrunners or Arrangers listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender hereunder.

. **Administrative Agent May File Proofs of Claim**. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Credit Party, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent

(including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Sections 2.06 and 10.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.06 and 10.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

. **Guaranty Matters**. The Lenders irrevocably authorize the Administrative Agent, at its option and in its discretion, to release any Subsidiary Guarantor from its obligations under the Subsidiary Guaranty if such Person either ceases to be a Subsidiary as a result of a transaction permitted hereunder or is eligible to be released from its Subsidiary Guaranty in accordance with a request by the Borrower pursuant to the last sentence of Section 6.09. Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release any Subsidiary Guarantor from its obligations under the Subsidiary Guaranty pursuant to this Section 9.10.

MISCELLANEOUS

. **Amendments, Etc**. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any other Credit Party therefrom, shall be effective unless in writing signed by the Required Lenders and the Borrower or the applicable Credit Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) postpone any date fixed by this Agreement or any other Loan Document for any payment (excluding any mandatory prepayment) of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby;

(b) reduce the principal of, or the rate of interest specified herein on, any Loan, or (subject to clause (ii) of the second proviso to this Section 10.01) any fees or other amounts payable hereunder or under any other Loan Document (whether directly or indirectly through an amendment to the definition of the term “Applicable Rate” or the term “Leverage Ratio” to the extent (but only to the extent) such amendment would effect a reduction in such rate of interest or fees pursuant to the Applicable Rate) without the written consent of each Lender entitled to receive such amount; provided, however, that only the consent of the Required Lenders shall be necessary to amend the definition of “Default Rate” or to waive any obligation of the Borrower to pay interest at the Default Rate;

(c) change Section 2.10 or Section 8.02 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly affected thereby;

(d) change any provision of this Section or the definition of “Required Lenders” or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder without the written consent of each Lender directly affected thereby; or

(e) release the Borrower from its obligations under the Loan Documents or all or substantially all of the value of the Subsidiary Guaranty, without the written consent of each Lender, except, with respect to the Subsidiary Guaranty, to the extent the release of any Subsidiary Guarantor is permitted pursuant to Section 9.10 (in which case such release may be made by the Administrative Agent acting alone);

and, provided further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document, (ii) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto; and (iii) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Term Loan of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender.

If any Lender does not consent to a proposed amendment, waiver, consent or release with respect to any Loan Document that requires the consent of such Lender and that has been approved by the Required Lenders, the Borrower may replace such Non-Consenting Lender in accordance with Section 10.13; provided that such amendment, waiver, consent or release can be effected as a result of the assignment contemplated by such Section (together with all other such assignments required by the Borrower to be made pursuant to this paragraph).

. **Notices; Effectiveness; Electronic Communication**.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Borrower or the Administrative Agent to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 10.02; and

(ii) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the “return receipt requested” function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided, that for both clauses (i) and (ii), if such notice, e-mail or other communication is not sent during the normal business hours of the recipient, such notice, e-mail or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to the Borrower, any Lender or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc. Each of the Borrower and the Administrative Agent may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the Borrower and the Administrative Agent. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States Federal or state securities laws.

(e) Reliance by Administrative Agent and Lenders. The Administrative Agent and the Lenders shall be entitled to rely and act upon any notices (including telephonic Loan Notices or electronic Loan Notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Administrative Agent, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of a Credit Party. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

. **No Waiver; Cumulative Remedies; Enforcement**. No failure by any Lender or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under any other Loan Document (including the imposition of the Default Rate) 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, and provided under each Loan Document are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Credit Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.01 for the benefit of all the Lenders; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent from exercising

on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) any Lender from exercising setoff rights in accordance with Section 10.08 (subject to the terms of Section 2.10), or (c) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Credit Party under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 8.01 and (ii) in addition to the matters set forth in clauses (b) and (c) of the preceding proviso and subject to Section 2.10, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

. **Expenses; Indemnity; Damage Waiver**.

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable out of pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of any one outside counsel (in addition to any reasonably necessary special counsel and up to one local counsel in each applicable jurisdiction) for the Administrative Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) all out of pocket expenses incurred by the Administrative Agent or any Lender (or any Affiliate of such Lender for expenses incurred in connection with duties performed under Section 2.02) related (including the fees, charges and disbursements of any one outside counsel (in addition to any reasonably necessary special counsel and up to one local counsel in each applicable jurisdiction) for the Administrative Agent or any Lender, and any additional counsel reasonably necessary in the case of any actual or potential conflict of interest identified by the Administrative Agent or by one or more Lenders), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) Indemnification. The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including any Credit Party) other than such Indemnitee and its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents (including in respect of any matters addressed in Section 3.01), (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any Subsidiary, or any Environmental Liability related in any way to the Borrower or any Subsidiary, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Credit Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower or any other Credit Party against an Indemnitee for a material breach of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower or such other Credit Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. Notwithstanding anything to the contrary in this Section 10.04(b), with respect to any individual claim (or series of related claims), in no event shall the Borrower be required to reimburse the legal fees and expenses of more than one outside counsel (in addition to any reasonably necessary special counsel and up to one local

counsel in each applicable jurisdiction, but excluding any in-house counsel) for all Indemnitees collectively, as well as any additional counsel reasonably necessary in the case of any actual or potential conflict of interest identified by the Administrative Agent or by one or more Indemnitees. Without limiting the provisions of Section 3.01(c), this Section 10.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by them to the Administrative Agent (or any sub-agent thereof), or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the outstanding Term Loan of all Lenders at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), such payment to be made severally among them based on such Lenders' Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.09(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, the Borrower shall not assert, and the Borrower hereby waives on behalf of itself and the other Credit Parties, and acknowledges that no other Person shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby, other than for direct or actual damages resulting from either (i) the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction, or (ii) the material breach of such Indemnitee's confidentiality obligations under this Agreement or any other Loan Document as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(e) Payments. All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

(f) Survival. The agreements in this Section shall survive the resignation of the Administrative Agent, the replacement of any Lender, the termination of the Term Loan Commitments and the repayment, satisfaction or discharge of all the other Obligations.

. **Payments Set Aside**. To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent or any Lender, or the Administrative Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect. The obligations of the Lenders under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

. **Successors and Assigns**.

(k) Successors and Assigns Generally. The provisions of this Agreement and the other Loan Documents shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder or thereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(l) Assignments by Lenders. Any Lender may at any time after the Closing Date assign to one or more assignees all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including all or a portion of the Term Loan at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Term Loans at the time owing to it or contemporaneous assignments to related Approved Funds that equal at least the amount specified in subsection (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the outstanding balance of the Term Loan of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than $1,000,000 unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) [Reserved].

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of any Term Loan to a Person that is not a Lender, an Affiliate of a Lender or an Approved Fund.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of $3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made to (A) the Borrower or any of the Borrower's Affiliates or Subsidiaries, (B) any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) a natural Person.

(vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and

until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05 and 10.04 with respect to facts and circumstances occurring prior to the effective date of such assignment); provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(m) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower (and such agency being solely for tax purposes), shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender at any reasonable time and from time to time upon reasonable prior notice.

(n) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person, a Defaulting Lender or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Term Loan Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 10.04(c) without regard to the existence of any participation.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in Section 10.01(a) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.04, 3.05 and 3.01 (subject to the requirements and limitations therein,

including the requirements under Section 3.01(e)) (it being understood that the documentation required under Section 3.01(e) shall be delivered to the Lender who sells the participation) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 3.06 and 10.13 as if it were an assignee under paragraph (b) of this Section and (B) shall not be entitled to receive any greater payment under Sections 3.01 or 3.04, with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 3.06 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.13as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(a) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

. **Treatment of Certain Information; Confidentiality**. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Related Parties and to any direct or indirect contractual counterparty (or such contractual counterparty's professional advisor) under any Swap Contract relating to Loans outstanding under this Agreement (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) on a confidential basis to (i) any rating agency in connection with rating any Credit Party or its Subsidiaries or the credit facilities provided hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, (h) with the consent of the Borrower or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower.

For purposes of this Section, "Information" means all information received from the Borrower or any Subsidiary in connection with the Transactions relating to the Borrower or any Subsidiary or any of their respective businesses,

other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower or any Subsidiary. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent and the Lenders acknowledges that (a) the Information may include material non-public information concerning the Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

. **Right of Setoff**. If an Event of Default shall have occurred and be continuing, each Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of the Borrower (other than, for the avoidance of doubt, any Settlement Assets except to effect Settlement Payments such Lender is obligated to make to a third party in respect of such Settlement Assets or as otherwise agreed in writing between the Borrower and such Lender) against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch or office or Affiliate of such Lender different from the branch or office or Affiliate holding such deposit or obligated on such indebtedness; provided, that, in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.11 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and its respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or its respective Affiliates may have. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

. **Interest Rate Limitation**. As used in this Agreement the term "interest" does not include any fees (including, but not limited to, any loan fee, periodic fee, unused commitment fee or waiver fee) or other charges imposed on the Borrower in connection with the indebtedness evidenced by this Agreement, other than the interest described herein. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder. It is the express intent hereof the Borrower shall not pay, and no Lender receive, directly or indirectly, interest in excess of that which may be lawfully paid under applicable Law, including the usury laws in force in the State of Georgia.

. **Counterparts; Integration; Effectiveness**. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when

it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement.

. **Survival of Representations and Warranties**. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Borrowing, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied.

. **Severability**. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 10.12, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, then such provisions shall be deemed to be in effect only to the extent not so limited.

. **Replacement of Lenders**. If the Borrower is entitled to replace a Lender pursuant to the provisions of Section 3.06, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.06), all of its interests, rights (other than its existing rights to payments pursuant to Sections 3.01 and 3.04) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(o) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 10.06(b);

(p) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(q) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;

(r) such assignment does not conflict with applicable Laws; and

(s) in the case of an assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

. **Governing Law; Jurisdiction; Etc**.

(a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF GEORGIA.

(b) SUBMISSION TO JURISDICTION. THE BORROWER IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF GEORGIA SITTING IN THE SUPERIOR COURT OF FULTON COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE NORTHERN DISTRICT OF GEORGIA, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN

DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH GEORGIA STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT OR ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ANY OTHER CREDIT PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. THE BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

. **Waiver of Jury Trial**. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

. **No Advisory or Fiduciary Responsibility**. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Arranger and the Lenders, are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Administrative Agent, the Arranger and the Lenders, on the other hand, (B) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Administrative Agent, the Arranger and the Lenders each are and have been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, have not been, are not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person and (B) neither the Administrative Agent nor the Arranger nor the Lenders have any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Arranger and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Administrative Agent nor the Arranger nor the Lenders have any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against the Administrative Agent, the Arranger

and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

. **Electronic Execution of Assignments and Certain Other Documents**. The words "execute" "execution," "signed," "signature," and words of like import in any Assignment and Assumption or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

. **USA PATRIOT Act**. Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Credit Parties, which information includes the name and address of each Credit Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify such Credit Party in accordance with the Act. The Borrower shall (and the Borrower shall cause each Subsidiary Guarantor to), promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender reasonably requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act.

IN WITNESS WHEREOF, the Borrower has executed this Agreement as of the date stated at the top of the first page hereof, intending to create an instrument executed under seal.

GLOBAL PAYMENTS, INC., as the Borrower

By: /s/David Mangum
Name: David Mangum
Title: Chief Financial Officer

BANK OF AMERICA, N.A., as
Administrative Agent

By: /s/ Angelo M. Martorana
Name: Angelo M. Martorana
Title: Assistant Vice President

BANK OF AMERICA, N.A., as Lender

By: /s/ Thomas M. Paulk
Name: Thomas M. Paulk
Title: Senior Vice President

PNC BANK NATIONAL ASSOCIATION, as Lender

By: /s/ Christopher Whitis
Name: Christopher Whitis
Title: Senior Vice President, Corporate Banking

REGIONS BANK, as a Lender

By: /s/ Stephen T. Hatch
Name: Stephen T. Hatch
Title: Vice President

TD BANK, as a Lender

By: /s/ Steve Levi
Name: Steve Levi
Title: Senior Vice President

THE BANK OF TOKYO-MISTUBISHI UFJ LTD as a Lender

By: /s/ George Stoecklein
Name:George Stoecklein
Title: Director

BARCLAYS BANK PLC as a Lender

By: /s/ Diane Rolfe
Name: Diane Rolfe
Title: Director

CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK AGENCY, as a Lender

By: /s/ Dominic Sorresso
Name: Dominic Sorresso
Title: Executive Director

CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK AGENCY, as a LenderBy: /s/ Eoin Roche
Name: Eoin Roche
Title: Executive Director

FIFTH THIRD BANK, as a Lender

By: /s/ Kenneth W. Deere
Name:Kenneth W. Deere
Title: Senior Vice President

GOLDMAN SACHS BANK USA, as a Lender

By: /s/ Mark Walton
Name:Mark Walton
Title: Authorized Signatory

DEUTSCHE BANK AG NEW YORK BRANCH, as a LenderBy: /s/ Ming K. ChuName: Ming K. Chu
Title: Vice Presiden

DEUTSCHE BANK AG NEW YORK BRANCH, as a Lender

By: /s/ John S. McGill
Name: John S. McGill
Title: Director

BRANCH BANKING AND TRUST COMPANY, as a Lender

By: /s/ Brantley Echols
Name: Brantley Echols
Title: Senior Vice President

COMPASS BANK, as a Lender

By: /s/ Susana Campuzano
Name: Susana Campuzano
Title: SVP

ADDITIONAL COMMITMENT AGREEMENT

This Additional Commitment Agreement (this "Agreement"), dated as of September 28, 2012, is by and among Global Payments Inc., a Georgia corporation (the "Company"), the other borrowers party hereto (together with the Company, the "Borrowers" and each a "Borrower"), the Lenders party hereto (each an "Increasing Lender" and collectively, the "Increasing Lenders") and BANK OF AMERICA, N.A., as administrative agent (in such capacity, the "Administrative Agent") for the Lenders. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement (as defined below).

RECITALS

WHEREAS, the Borrowers, the Lenders party thereto and the Administrative Agent entered into that certain Credit Agreement dated as of December 7, 2010 (as amended and modified from time to time, the "Credit Agreement");

WHEREAS, the Borrower has requested that the Aggregate Revolving Commitments be increased by $150,000,000 such that the Aggregate Revolving Commitments will be $750,000,000;

WHEREAS, the Increasing Lenders have agreed to increase their Revolving A Commitments and/or their Revolving B Commitments on the terms and conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Additional Revolving Commitments. Each Increasing Lender hereby agrees to provide the additional Revolving A Commitment and/or Revolving B Commitment set forth opposite its name on Annex A hereto under the column "Additional Revolving A Commitment" and/or "Additional Revolving B Commitment". Each of the Borrowers and the applicable Increasing Lender agrees that, after giving effect to the additional Revolving A Commitment and/or Revolving B Commitment provided by such Increasing Lender pursuant to this Agreement, the total Revolving A Commitment and/or the total Revolving B Commitments of such Increasing Lender shall be as set forth opposite its name on Annex A hereto under the column "Total Revolving A Commitment" and/or "Total Revolving B Commitment".

2. This Agreement shall become effective as of the date set forth above upon satisfaction of the following conditions precedent:

(a) The Administrative Agent shall have received counterparts of this Agreement duly executed by the Borrowers, the New Lenders and Bank of America, N.A., as Administrative Agent.

(b) The Administrative Agent shall have received satisfactory evidence that (i) no new security breach or significant expansion of the existing security breach (as described in the Form 10-K of the Borrower, filed on July 27, 2012) shall have occurred; and (ii) the amount of the special charge for the security breach for fiscal years 2012 and 2013 announced on the Borrower's July 26, 2012 earnings call shall not have collectively increased by more than 20%.

(c) The Administrative Agent shall have received all fees and other amounts required to be paid on or prior to the date of this Agreement.

3. This Agreement may be executed in any number of counterparts and by the various parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one contract. Delivery of an executed counterpart of this Agreement by facsimile or other secure electronic format (.pdf) shall be effective as delivery of a manually executed counterpart of this Agreement.

4. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Georgia.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by a duly authorized officer as of the date first above written.

INCREASING LENDERS:

BANK OF AMERICA, N.A.

By: /s/ Thomas M. Paulk
Name: Thomas M. Paulk
Title: Senior Vice President

TD Bank, N.A.

By: /s/ Steve Levi
Name: Steve Levi
Title: Senior Vice President

Barclays Bank PLC

By: /s/ Diane Rolfe
Name: Diane Rolfe
Title: Director

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

By: /s/ George Stoecklein
Name: George Stoecklein
Title: Director

CIBC INC.

By: /s/ Dominic J. Sorresso
Name: Dominic J. Sorresso
Title: Executive Director

By: /s/ Eoin Roche
Name: Eoin Roche
Title: Executive Director

GOLDMAN SACHS BANK USA

By: /s/ Mark Walton
Name: Mark Walton
Title: Authorized Signatory

Branch Banking and Trust Company

By: /s/ Brantley Echols
Name: Brantley Echols
Title: Senior Vice President

Compass Bank

By: /s/ Susana Campuzano
Name: Susana Campuzano
Title: SVP

BORROWERS: GLOBAL PAYMENTS INC.,
a Georgia corporation

By: /s/ David E. Mangum
Name: David E. Mangum
Title: Chief Financial Officer

GLOBAL PAYMENTS DIRECT, INC.,
a New York corporation

By: /s/ Suellyn P. Tornay
Name: Suellyn P. Tornay
Title: Secretary

GLOBAL PAYMENTS UK LTD.,
a British Company governed of the Laws of England and Wales

By: /s/ Christopher Davies
Name: Christopher Davies
Title: Director

GLOBAL PAYMENTS ACQUISITION CORPORATION 2 SARL,
a Dutch Company governed under the Laws of the Netherlands

By: /s/ Suellyn P. Tornay
Name: Suellyn P. Tornay
Title: Type A Manager

GLOBAL PAYMENTS ACQUISITION PS 2 C.V.,
a Belgium Company governed under the Laws of Luxembourg

By: /s/ Suellyn P. Tornay
Name: Suellyn P. Tornay
Title: Secretary

GLOBAL PAYMENTS ACQUISITION PS 1 - GLOBAL PAYMENTS DIRECT S.E.N.C., a Luxembourg general partnership

By: Global Payments Direct, Inc.
Its: General Partner

By: /s/ Suellyn P. Tornay
Name: Suellyn P. Tornay
Title: Secretary

ACCEPTED AND AGREED:

BANK OF AMERICA, N.A.,
as Administrative Agent

By:/s/ Angelo M. Martorana
Name: Angelo M. Martorana
Title: Assistant Vice President

Annex A to
Additional Commitment Agreement

ADDITIONAL REVOLVING COMMITMENTS OF INCREASING LENDERS

Lender	Additional Revolving A Commitment	Total Revolving A Commitment	Additional Revolving B Commitment	Total Revolving B Commitment
Bank of America, N.A.	$33,000,000	$98,000,000	N/A	$5,000,000
TD Bank, N.A.	N/A	N/A	$16,000,000	$56,000,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	N/A	N/A	$13,000,000	$63,000,000
Barclays Bank PLC	$13,000,000	$53,000,000	N/A	N/A
Canadian Imperial Bank of Commerce	N/A	N/A	$8,000,000	$63,000,000
Goldman Sachs Bank USA	N/A	N/A	$6,000,000	$16,000,000
Branch Banking and Trust Company	N/A	N/A	$4,000,000	$34,000,000
Compass Bank	N/A	N/A	$3,000,000	$53,000,000

LENDER JOINDER AGREEMENT

This LENDER JOINDER AGREEMENT (this "Agreement"), dated as of September 28, 2012, to the Credit Agreement (as defined below) is by and among the parties identified as "New Lenders" on the signature pages hereto (each a "New Lender" and collectively, the "New Lenders"), Global Payments Inc., a Georgia corporation (the "Company"), the other borrowers party hereto (together with the Company, the "Borrowers" and each a "Borrower") and BANK OF AMERICA, N.A., as administrative agent (in such capacity, the "Administrative Agent") for the Lenders. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement (as defined below).

RECITALS

WHEREAS, the Borrowers, the Lenders party thereto and the Administrative Agent entered into that certain Credit Agreement dated as of December 7, 2010 (as amended and modified from time to time, the "Credit Agreement");

WHEREAS, the Borrower has requested that the Aggregate Revolving Commitments be increased by $150,000,000 such that the Aggregate Revolving Commitments will be $750,000,000;

WHEREAS, the New Lenders have agreed to provide Revolving A Commitments and/or Revolving B Commitments on the terms and conditions set forth herein and to become a Lender under the Credit Agreement in connection therewith.

NOW, THEREFORE, IN CONSIDERATION of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Each New Lender hereby agrees to provide a Revolving A Commitment and/or a Revolving B Commitment in the amount set forth opposite such New Lender's name on Annex A hereto and the initial Applicable Percentage of such New Lender shall be as set forth therein.

2. Each New Lender (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to become a Lender, (iii) from and after the date of this Agreement, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 6.01 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Agreement, (v) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement, and (vi) if it is a Foreign Lender, it has delivered any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by such New Lender; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

3. The Borrower agrees that, as of the date hereof, each New Lender shall (a) be a party to the Credit Agreement and the other Loan Documents, (b) be a "Lender" for all purposes of the Credit Agreement and the other Loan Documents, and (c) have the rights and obligations of a Lender under the Credit Agreement and the other Loan Documents.

4. The applicable address, facsimile number and electronic mail address of each New Lender for purposes of Section 10.02 of the Credit Agreement are as set forth in such New Lender's Administrative Questionnaire delivered by such New Lender to the Administrative Agent on or before the date hereof or to such other address, facsimile number and electronic mail address as shall be designated by such New Lender in a notice to the Administrative Agent.

5. This Agreement shall become effective as of the date set forth above upon satisfaction of the following conditions precedent:

(a) The Administrative Agent shall have received counterparts of this Agreement duly executed by the Borrowers, the New Lenders and Bank of America, N.A., as Administrative Agent.

(b) The Administrative Agent shall have received satisfactory evidence that (i) no new security breach or significant expansion of the existing security breach (as described in the Form 10-K of the Borrower, filed on July 27, 2012) shall have occurred; and (ii) the amount of the special charge for the security breach for fiscal years 2012 and 2013 announced on the Borrower's July 26, 2012 earnings call shall not have collectively increased by more than 20%.

(c) The Administrative Agent shall have received all fees and other amounts required to be paid on or prior to the date of this Agreement.

6. This Agreement may be executed in any number of counterparts and by the various parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one contract. Delivery of an executed counterpart of this Agreement by facsimile or other secure electronic format (.pdf) shall be effective as delivery of a manually executed counterpart of this Agreement.

7. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Georgia.

[remainder of page intentionally left blank]

CHAR1

1284079v1

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by a duly authorized officer as of the date first above written.

NEW LENDERS:

PNC BANK NATIONAL ASSOCIATION,
as a New Lender

By:/s/ Chris Whitis
Name: Chris Whitis
Title:SVP

REGIONS BANK,
as a New Lender

By:/s/ Stephen T. Hatch
Name: Stephen T. Hatch
Title:Vice President

FIFTH THIRD BANK,
as a New Lender
UK Passport Number: 13/F/24267/DTTP
Tax Residency: United States

By:/s/ Kenneth W. Deere
Name: Kenneth W. Deere
Title:Senior Vice President

DEUTSCHE BANK AG NEW YORK BRANCH,
as a New Lender

By:/s/ John S. McGill
Name: John S. McGill
Title:Director

By:/s/ Ming K. Chu
Name: Ming K. Chu
Title:Vice President

BORROWERS: GLOBAL PAYMENTS INC.,
a Georgia corporation

By: /s/ David E. Mangum
Name: David E. Mangum
Title: Chief Financial Officer

GLOBAL PAYMENTS DIRECT, INC.,
a New York corporation

By: /s/ Suellyn P. Tornay
Name: Suellyn P. Tornay
Title: Secretary

GLOBAL PAYMENTS UK LTD.,
a British Company governed of the Laws of England and Wales

By: /s/ Christopher Davies
Name: Christopher Davies
Title: Director

GLOBAL PAYMENTS ACQUISITION CORPORATION 2 SARL,
a Dutch Company governed under the Laws of the Netherlands

By: /s/ Suellyn P. Tornay
Name: Suellyn P. Tornay
Title: Type A Manager

GLOBAL PAYMENTS ACQUISITION PS 2 C.V.,
a Belgium Company governed under the Laws of Luxembourg

By: /s/ Suellyn P. Tornay
Name: Suellyn P. Tornay
Title: Secretary

GLOBAL PAYMENTS ACQUISITION PS 1 - GLOBAL PAYMENTS DIRECT S.E.N.C., a Luxembourg general partnership

By: Global Payments Direct, Inc.
Its: General Partner

By: /s/ Suellyn P. Tornay
Name: Suellyn P. Tornay
Title: Secretary

ACCEPTED AND AGREED:

BANK OF AMERICA, N.A.,
as Administrative Agent

By:/s/ Angelo M. Martorana
Name: Angelo M. Martorana
Title: Assistant Vice President

Annex A to
Lender Joinder Agreement

REVOLVING COMMITMENTS AND APPLICABLE PERCENTAGE

Lender	Revolving A Commitment	Applicable Percentage of Revolving A Commitment	Revolving B Commitment	Applicable Percentage of Revolving B Commitment
PNC Bank National Association	$20,000,000	6.80272109%	N/A	N/A
Regions Bank	$20,000,000	6.80272109%	N/A	N/A
Fifth Third Bank	$8,000,000	2.72108844%	N/A	N/A
Deutsche Bank AG New York Branch	N/A	N/A	$6,000,000	1.31578947%

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Paul R. Garcia, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Global Payments Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 2, 2012 By: /s/ Paul R. Garcia

_____
Paul R. Garcia
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David E. Mangum, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Global Payments Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 2, 2012 By: /s/ DAVID E. MANGUM

_____
David E. Mangum
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
§ 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Global Payments Inc. on Form 10-Q for the period ended August 31, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Paul R. Garcia, Chief Executive Officer of Global Payments Inc. (the "Company"), and David E. Mangum, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Paul R. Garcia	**/s/ David E. Mangum**
Paul R. Garcia **Chief Executive Officer** **Global Payments Inc.**	**David E. Mangum** **Chief Financial Officer** **Global Payments Inc.**
October 2, 2012	**October 2, 2012**

A signed original of this written statement required by Section 906 has been provided to Global Payments Inc. and will be retained by Global Payments Inc. and furnished to the Securities and Exchange Commission upon request.